

SAN BERNARDINO ASSOCIATED GOVERNMENTS

**PASSENGER RAIL
SHORT RANGE TRANSIT PLAN
FISCAL YEAR 2008 – 2012**

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Prepared By

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EXECUTIVE SUMMARY

OVERVIEW OF SHORT RANGE TRANSIT PLAN

Metrolink services have performed well within the San Bernardino Valley. All three of the routes with stations in San Bernardino Valley perform better than the overall Metrolink system. In fact these three routes improve overall Metrolink system-wide performance on virtually all efficiency measures.

The three passenger rail routes operating within San Bernardino Valley are as follows: 1) the San Bernardino Line—serving the cities of San Bernardino, Rialto, Fontana, Rancho Cucamonga, Upland and Montclair to Los Angeles; 2) the Inland Empire-Orange County line serving the city of San Bernardino to central Orange County cities and Oceanside; and 3) the Riverside Line serving the city of Ontario between Riverside and Los Angeles.

This Short Range Transit Plan (SRTP) funds substantial passenger rail improvements within the San Bernardino Valley. In addition to setting aside SANBAG's share of capital improvements on all three passenger rail lines, SANBAG is also proposing major investments extending passenger rail service from San Bernardino to Redlands and extending Los Angeles County's METRO Gold Line beyond Azusa to a new terminus in Montclair within San Bernardino Valley, as approved in the Measure I extension expenditure plan of 2004. The sum of all these investments in rail over the next five years is \$290,426,000. Of this total, \$91,300,000 is expected from the federal New Small Starts program and \$19,606,000 from California State transportation funds.

The timing for each of the projects within this SRTP is based upon the best available knowledge at the time this document was prepared. Since the Gold Line extension from Azusa to Montclair depends partly on federal funding, as does the new passenger rail line between San Bernardino and Redlands, any delay in project approval will delay the initiation of construction on these projects. Nevertheless should approvals be forthcoming as anticipated in this document, SANBAG has available to it sufficient resources to match the requested federal funds to assure a timely completion of both projects.

If both the Gold Line and the Redlands project are implemented within the time frame proposed in this SRTP, SANBAG proposes to borrow funds against future anticipated Measure I funds in order to provide the needed match for federal funds. This borrowing and associated interest and repayment costs are reflected in the total investment program.

There is also uncertainty about the ability to provide additional trains on both the Riverside and the Inland Empire-Orange County lines within San Bernardino Valley. Both agreements with the two contracting railroads currently limit Metrolink's ability to add trains on these routes within San Bernardino Valley without additional capital improvements and/or changes to the basic agreement to permit more trains to operate. SANBAG is seeking additional service on both lines and is prepared to seek its share of State transportation grants to fund its share of any capital investment agreed to by the public agencies and the railroads. This SRTP does not contain such funds but it is anticipated that the State will provide additional funding available to SANBAG in the 2008 STIP

year and SANBAG would seek such funding were it able to conclude an agreement with the railroads. Sufficient funds are provided to fund SANBAG's share of operating costs for one new peak period round trip train on each route if agreements are achieved.

The San Bernardino Line is wholly owned by SANBAG and its funding partner, the Los Angeles County Metropolitan Transportation Authority (METRO). This ownership permits SANBAG and METRO to build upon the success they have already seen by proposing new services for this line during the fiscal years 2008-2012. The plan presents a calculated strategy to expand service to all of the principal markets served. Metrolink not only serves the Los Angeles home-to-work market it also provides off-peak service, particularly to the many communities between San Bernardino and Los Angeles. Additionally Metrolink also provides service on Saturdays and Sundays, reflecting its role as a significant interregional transportation provider.

SANBAG's ability to fund capital improvements and add services are to a major extent impacted by the actions of its partner at METRO. If that agency is unable to provide its share of funding SANBAG would either have to provide METRO's share of funding or forego the improvement or service increase.

OPERATIONS BUDGET

Table E-1, Total Passenger Rail Operating Budget, presents the total planned expenditures, by year, for all the current and proposed services as well as for the ongoing costs to administer the SANBAG rail program. Table E-1 also lists the specific service increases funded by this SRTP and the year in which it is proposed to be placed in service.

Of the total \$47.4 million, 88% of the budget is for current services plus the SANBAG rail program expenses. The remaining 12% is for new service. These service expansions have a modest price tag. For the full five-year duration of the SRTP, the sum of all the proposed service expansions will cost approximately \$5.8 million. In the first two years of the SRTP, the planned service expansion is oriented to either weekend or off peak weekday service because of the lack of sufficient equipment to operate new peak period trains. As new equipment arrives at Metrolink in early 2009, a new peak period train can be added to the San Bernardino Line. Notwithstanding this new equipment, this SRTP focuses on establishing an hourly service on weekdays and weekends. If sufficient new equipment is available by 2009, or if the agencies can agree on a funding package to double track the line between Covina and Pomona, more peak period service could be added to the San Bernardino Line.

SANBAG believes this service expansion plan will strengthen the overall service and result in continued patronage growth. Table E-2 displays the expected growth in overall ridership by line and by specific new train service. By October of 2012 the San Bernardino Line weekday service is forecast to carry 17,324 average daily riders, while the Inland Empire Orange County Line is forecast to carry 7,692 average daily weekday riders. The Riverside Line will carry 5,964 average daily weekday riders. Saturday service on the San Bernardino line will average 5,404 daily riders while the Sunday service will average 4,243 daily riders. The Inland Empire Orange County Line Saturday service will average 1,027 daily riders while the Sunday service will average 640 daily

riders. The actual amount of Valley Local Transportation Funds (LTF) requested for operations is \$47.4 million, including a contingency of \$0.5 million for new services. The average yearly draw down of Valley LTF for operations is \$9.5 million.

CAPITAL IMPROVEMENT BUDGET

The capital improvement budget in this SRTP continues to invest in SANBAG's owned right of way on the San Bernardino Line. This SRTP projects the expenditure of \$16.8 million for renovation and rehabilitation projects. For some years SANBAG has been interested in building a much-needed second main track between Pomona and Covina. This track is vitally important as it will permit Metrolink to operate trains against the flow of traffic during peak periods and allow the use of some trains at least twice during each rush hour, greatly increasing productivity and revenue. SANBAG and Metrolink have also identified two other locations within the San Bernardino Valley where additional double track will greatly improve overall route capacity for more trains operating in both directions. Currently SANBAG's partner has not agreed to provide the funding for its share of these projects. As agreement can be reached SANBAG is prepared to amend this SRTP to include any new funding for such projects.

The SRTP includes funding for a new parking structure in Upland, a pedestrian undercrossing at the Rancho Cucamonga station, safety improvements on the San Bernardino Line to restrict the ability of trespassers to gain access to the property, and new communications equipment for Metrolink. In addition to these projects SANBAG proposes a major new project establishing an all-day rail service on the existing rail route between San Bernardino and Redlands. This SRTP budgets \$176.0 million for the Redlands project, excluding stations and parking, all new track and signals and rolling stock. SANBAG will be requesting \$75 million from the federal Small Starts program for the Redlands Line.

SANBAG is also a partner on the extension of the METRO Gold Line from Azusa to Montclair. SANBAG expects approval of this extension in the 2010/2011 period and is budgeting \$32.6 for its share of the project in the last two years of this SRTP. Of this total SANBAG will be requesting \$16.3 in federal New Starts funding.

SANBAG Measure I funding will be used to provide some of the funding for both the Redlands project and the Gold Line project.

Table E-8 summarizes all five years of the SRTP on a single table indicating the investment activity by year and the source of funds.

SANBAG proposes to fund an Equipment Replacement Fund at Metrolink to anticipate SANBAG's future cash matching needs when rolling stock and other expensive items are due for replacement. The SRTP reflects a budget of \$316,000 annually for this purpose.

Finally, SANBAG will continue to provide its share of needed capital improvements that benefit the entire Metrolink network. These improvements will include Metrolink's second maintenance

facility for its locomotives and cars. This facility, referred to as the Eastern Maintenance Facility (EMF), will be located in San Bernardino.

On the funding side, SANBAG proposes an investment plan that totally utilizes all the federal funding generated by its participation in Metrolink. Each year the Federal Transit Administration apportions funding to Passenger Rail agencies around the country based upon various performance criteria, the most significant of which is the amount of route miles within a county. SANBAG proposes to use approximately \$46.1 million in Federal Transit Administration (FTA) Section 5307 and 5309 funds in support of this capital investment plan. These FTA funds are generated solely by the operation of Metrolink trains. The SANBAG budget proposes to dedicate these funds for the maintenance and improvement of Metrolink services. This level of federal funding will require at least \$9.2 million in non-federal matching funds, which will be provided by the Valley's LTF funds.

Under the leadership of SANBAG, Metrolink sought and obtained state legislative authorization to receive State Transit Assistance Funds based upon passenger rail activity. This source of funding will total approximately \$15.9 million over five years for SANBAG. In addition SANBAG is seeking discretionary funding of almost \$11.9 million from the South Coast Air Basin's Congestion Management and Air Quality (CMAQ) funds to address the need for more station parking at Upland and new rolling stock for the Redlands project.

The financing plan is structured to maximize the use of federal funds received for Metrolink service and to minimize to the extent possible the use of Valley LTF to match capital projects. A total of \$12.7 million in LTF funds are proposed to fund a portion of these capital investment projects. These funds are additive to the LTF funds proposed for the operation of Metrolink trains. The total LTF requirement is \$60.1 million of which \$12.7 million is required for capital projects and \$47.4 million is required for operations.

A new source of funding in this SRTP is local SANBAG Measure I funding approved by the voters. These funds do not become available until the fourth year of the SRTP. SANBAG proposes to use \$63.6 million in the last two years of the SRTP. These funds are required to match the requested federal funds for both the Redlands project and the METRO Gold Line extension. If either of those projects is delayed, the timing of when the Measure I funds will be required will also be impacted. If both projects proceed on schedule, SANBAG will need to borrow against future Measure I revenues to insure that it can capture substantial federal discretionary funds for the region.

CONCLUSION

The SANBAG passenger rail program continues a strategy of prudent service expansion and investments designed to permit expanded two-way train operation on the San Bernardino Line during the peak period, new service on the Inland Empire Orange County Line and the Riverside Line and renew physical assets on the railroad. This passenger rail investment program also initiates major new projects involving the construction of an all-day rail service between San

Bernardino and Redlands and the extension of the METRO Gold Line service from Azusa to Montclair.

These investments will conservatively permit average daily weekday ridership to grow 40% on the San Bernardino Line by the last year of the SRTP, 85% on the Inland Empire Orange County Line and 26% on the Riverside Line. Total ridership of these lines will be approximately 30,980 weekday trips.

By this measure, continued investment in Metrolink will yield substantially better service to the residents of the San Bernardino Valley.

On the capital side, of the total proposed five-year capital investment of \$271.6 million, \$110.9 is being sought from discretionary state and federal sources. The remaining \$160.7 million are funds under the control of SANBAG. Of these funds \$62.1 million are allocated to SANBAG specifically because of the operations of Metrolink trains within the Valley. If Metrolink trains did not operate within the Valley these funds would not be available. These funds include State Transit Assistance Funds and the Federal Transit Administration funds from the Section 5307 and 5309 programs.

New to the SRTP are revenues from the recently voter-approved extension of the Measure I sales tax program for transportation. These revenues will become available in the fourth year of the SRTP. SANBAG intends to use these funds in the fourth and fifth years of the SRTP to fund the local share of project costs for both the Redlands Line and the METRO Gold Line extension. Since the Measure I funds will not have built up sufficient revenues to fully fund the local shares of these projects, SANBAG intends to borrow against future Measure I funds. This borrowing and repayment activity is reflected in the SRTP funding plans.

Table E-1
(\$=1,000)

San Bernardino Associated Governments
Total Passenger Rail Operating Budget

COST CATEGORY	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	5 YR.TOTAL
1. Current Subsidy Budget Inflated	\$ 7,000	\$ 7,280	\$ 7,571	\$ 7,874	\$ 8,189	\$ 8,517	\$ 39,431
2. SANBAG Rail Program	\$ 452	\$ 686	\$ 335	\$ 345	\$ 355	\$ 366	\$ 2,088
Subtotal Base System	\$ 7,452	\$ 7,966	\$ 7,906	\$ 8,219	\$ 8,544	\$ 8,883	\$ 41,518
3. Proposed New Services Subsidy							
a. 1 Off-Peak RT SB - LA	\$ -	\$ 298	\$ 307	\$ 316	\$ 326	\$ 335	\$ 1,582
b. 1 Sunday RT SB - LA	\$ -	\$ 60	\$ 62	\$ 38	\$ 39	\$ 40	\$ 239
c. 1 Off-Peak RT SB - LA	\$ -	\$ -	\$ 298	\$ 307	\$ 316	\$ 326	\$ 1,247
d. 1 Peak RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 44	\$ 45	\$ 89
e. 2 Saturday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 123	\$ 242
f. 2 Off-Peak RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 596	\$ 614	\$ 1,210
g. 2 Sunday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 123	\$ 242
h. 2 Saturday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 119
i. 2 Sunday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 119
j. IEOC & Riverside Future Service Enhancements.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221	\$ 221
10% Contingency for New Service	\$ -	\$ 36	\$ 67	\$ 66	\$ 156	\$ 207	\$ 531
Subtotal New Service Subsidy	\$ -	\$ 394	\$ 734	\$ 727	\$ 1,715	\$ 2,272	\$ 5,841
Total Subsidy	\$ 7,452	\$ 8,360	\$ 8,640	\$ 8,946	\$ 10,259	\$ 11,154	\$ 47,359

Table E-2
(\$=1,000)

**San Bernardino Associated Governments
Capital Improvement Plan
Summary of Total Program**

	Total Cost	SB Cost	Funding Sources										New Start Small Start 5309
			Fixed Guideway 5307	Rail Mod 5309	STAF	Rail Asset	CMAQ	LTF	STIP/ITIP	Measure			
Basic Support and SCRRRA Systemwide Projects New Projects	\$ 27,227	\$ 5,462	\$ 1,430	\$ 2,731	\$ 1,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 16,849	\$ 16,849	\$ 2,000	\$ 400	\$ -	\$ -	\$ 2,136	\$ 3,964	\$ 8,349	\$ -	\$ -	\$ -	
	\$ 44,076	\$ 22,311	\$ 3,430	\$ 3,131	\$ 1,301	\$ -	\$ 2,136	\$ 3,964	\$ 8,349	\$ -	\$ -	\$ -	
Basic Support and SCRRRA Systemwide Projects New Projects	\$ 16,669	\$ 5,529	\$ -	\$ 4,170	\$ 987	\$ -	\$ -	\$ 372	\$ -	\$ -	\$ -	\$ -	
	\$ 8,100	\$ 8,100	\$ 6,080	\$ -	\$ 132	\$ -	\$ -	\$ 1,888	\$ -	\$ -	\$ -	\$ -	
	\$ 24,769	\$ 13,629	\$ 6,080	\$ 4,170	\$ 1,119	\$ -	\$ -	\$ 2,260	\$ -	\$ -	\$ -	\$ -	
Basic Support and SCRRRA Systemwide Projects New Projects	\$ 17,424	\$ 5,912	\$ 1,607	\$ 2,870	\$ 1,034	\$ -	\$ -	\$ 402	\$ -	\$ -	\$ -	\$ -	
	\$ 54,294	\$ 12,200	\$ 3,660	\$ 400	\$ -	\$ -	\$ -	\$ 3,140	\$ 5,000	\$ -	\$ -	\$ -	
	\$ 71,718	\$ 18,112	\$ 5,267	\$ 3,270	\$ 1,034	\$ -	\$ -	\$ 3,542	\$ 5,000	\$ -	\$ -	\$ -	
Basic Support and SCRRRA Systemwide Projects New Projects	\$ 18,215	\$ 6,244	\$ -	\$ 4,742	\$ 768	\$ -	\$ -	\$ 734	\$ -	\$ -	\$ -	\$ -	
	\$ 102,786	\$ 102,786	\$ 5,500	\$ -	\$ 9,000	\$ 3,000	\$ 9,750	\$ 1,300	\$ 6,257	\$ 23,679	\$ 44,300	\$ 44,300	
	\$ 121,001	\$ 109,030	\$ 5,500	\$ 4,742	\$ 9,768	\$ 3,000	\$ 9,750	\$ 2,034	\$ 6,257	\$ 23,679	\$ 44,300	\$ 44,300	
Basic Support and SCRRRA Systemwide Projects New Projects	\$ 21,731	\$ 6,605	\$ -	\$ 5,024	\$ 1,138	\$ -	\$ -	\$ 434	\$ -	\$ -	\$ -	\$ -	
	\$ 101,929	\$ 101,929	\$ 5,502	\$ -	\$ 1,600	\$ -	\$ -	\$ 500	\$ -	\$ 39,898	\$ 47,000	\$ 47,000	
	\$ 123,660	\$ 108,534	\$ 5,502	\$ 5,024	\$ 2,738	\$ -	\$ -	\$ 934	\$ -	\$ 39,898	\$ 47,000	\$ 47,000	
5-Year Basic Support and SCRRRA Systemwide Projects 5-Year New Projects	\$ 101,267	\$ 29,752	\$ 3,037	\$ 19,538	\$ 5,227	\$ -	\$ -	\$ 1,942	\$ -	\$ -	\$ -	\$ -	
	\$ 283,958	\$ 241,864	\$ 22,742	\$ 800	\$ 10,732	\$ 3,000	\$ 11,886	\$ 10,792	\$ 19,606	\$ 63,577	\$ 91,300	\$ 91,300	
	\$ 385,225	\$ 271,616	\$ 25,779	\$ 20,338	\$ 15,959	\$ 3,000	\$ 11,886	\$ 12,734	\$ 19,606	\$ 63,577	\$ 91,300	\$ 91,300	

PASSENGER RAIL SHORT RANGE TRANSIT PLAN FISCAL YEARS 2007– 2008 TO 2011 -2012

I. INTRODUCTION

The San Bernardino Associated Governments (SANBAG), together with transportation commissions in Riverside, Orange, Los Angeles and Ventura counties, is a member agency of the Southern California Regional Rail Authority (SCRRA), commonly referred to as Metrolink. Metrolink has been operating regional rail services throughout Southern California since October of 1992. Metrolink operates seven lines among and between its five member agency counties.

Of these seven lines, Metrolink operates three that serve communities within the San Bernardino Valley, as listed below:

1. The San Bernardino line, with stations in the following communities: San Bernardino, Rialto, Fontana, Rancho Cucamonga, Upland and Montclair;
2. The Riverside line, with a station at East Ontario; and
3. The Inland Empire-Orange County line, with a station at San Bernardino.

In addition to these Metrolink lines, SANBAG has invested discretionary funds both in the acquisition and partial improvement of a 10-mile line extending between the San Bernardino Metrolink station and Redlands. In this SRTP SANBAG proposes to construct an all-day passenger rail service between San Bernardino and Redlands which would connect with Metrolink train and Omnitrans bus services at a new San Bernardino Transit Center located at Rialto Avenue and E Street. SANBAG is also partnering with San Gabriel Valley cities within Los Angeles County to extend the METRO Gold Line to Montclair. Construction on the Gold Line will commence in the fourth year of this five-year SRTP. Completion of the Gold Line project will extend beyond this 5-year SRTP and will require additional SANBAG funding.

This Short Range Transit Plan (SRTP) is a financially constrained document and is intended to present a blueprint for funding both proposed service levels on each route and those capital improvements recommended by SANBAG. The capital improvements to be funded may include not only new track and signals on those lines serving the San Bernardino Valley but also system-wide projects of benefit to all Metrolink routes. Such projects could include train maintenance facilities, new cars and locomotives, ticket vending machines and other similar projects. Furthermore, since SANBAG shares ownership of its commuter stations with the city in which the station is located, capital improvements for stations are also included in this document. Finally, new services, such as the passenger rail service between San Bernardino and Redlands and the extension of the METRO Gold Line to Montclair, are discussed in this report.

This SRTP examines the following topics:

- I. The overall Metrolink operating budget
 - a. Existing and proposed train operations on each of the SANBAG-funded rail routes
 - b. Maintenance of Way expenditures on the San Bernardino Line
 - c. Summary of Recommended Service Additions
- II. Capital improvements for each SANBAG-funded rail route
- III. Capital improvements, including both rehabilitation and renovation projects, for the overall Metrolink system
- IV. Station improvements within the San Bernardino Valley
- V. Status of planning for potential new transit service between San Bernardino and Redlands
- VI. Proposed financing plan for operations and capital improvements.

II METROLINK OPERATING BUDGET

The Metrolink budget has two components: capital and operating. The capital budget, insofar as it affects SANBAG, is presented later in this document. The operating budget funds SANBAG's share of the net operating costs of Metrolink train services as well as a pro-rata share of the various Metrolink administrative costs.

The following four Figures (see following pages) are extracted from the Metrolink FY 2006/07 annual budget. These Figures display twelve different efficiency measures: Figure 1 contains 1) the growth in Metrolink's operating expense from its inception through the most recent fiscal year; 2) annual system wide revenue; 3) net operating subsidy; Figure 2 contains 1) system wide train miles; 2) fare revenues; 3) average weekday ridership; Figure 3 contains 1) revenue recovery; 2) farebox recovery; 3) operating expense per train mile; Figure 4 Contains 1) operating expense per passenger mile; 2) operating subsidy per rider; and 3) operating subsidy per passenger mile.

Figure 1
SCRRRA
Annual Operating Expenses, Revenues and Operating Subsidy
Fiscal Year 1992-1993 to Fiscal Year 2006-2007

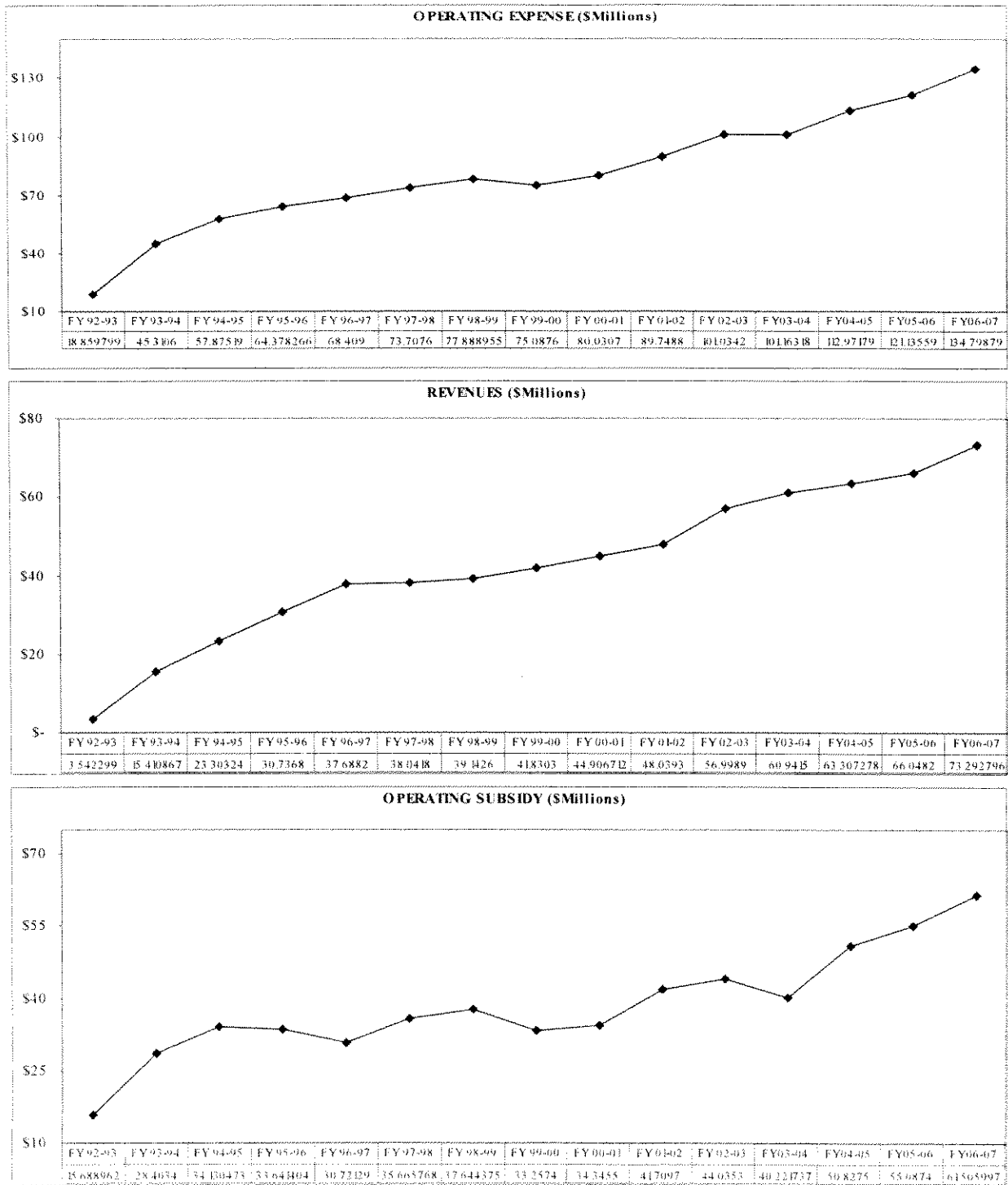


Figure 2
SCRR
Annual Train Miles, Fares and Average Weekday Ridership
Fiscal Year 1992-1993 to Fiscal Year 2006-2007

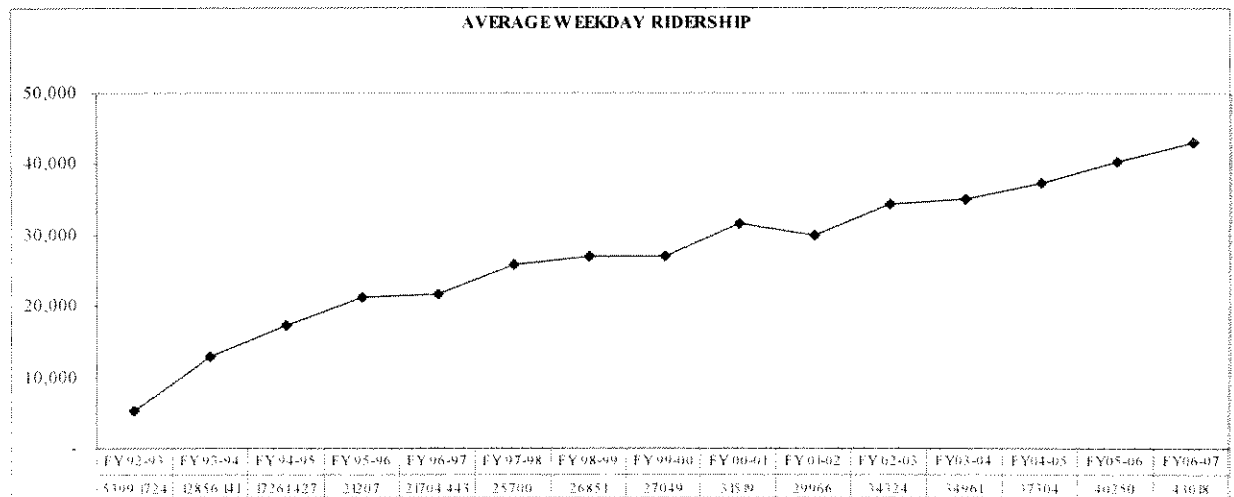
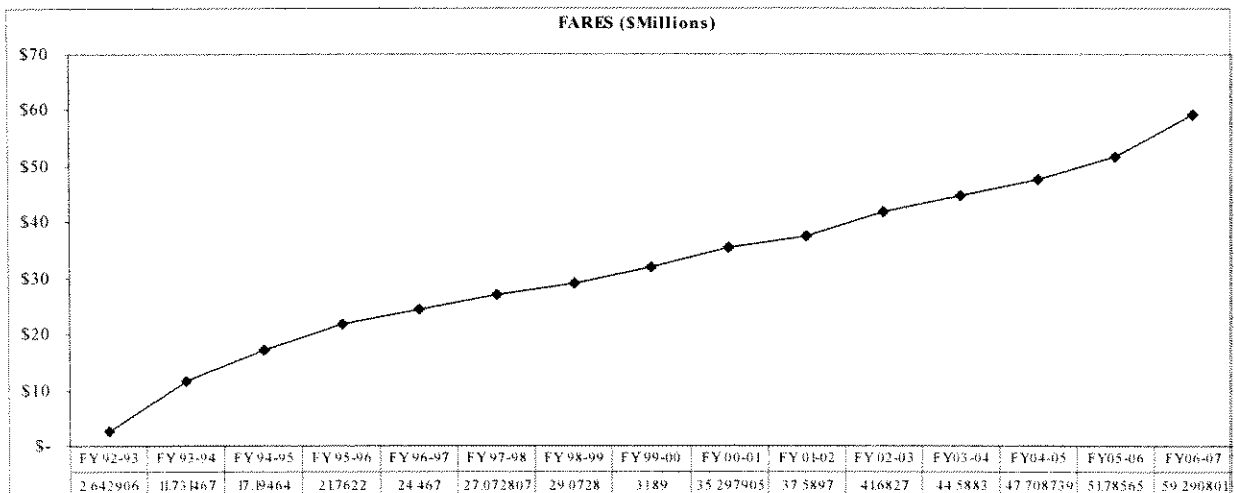
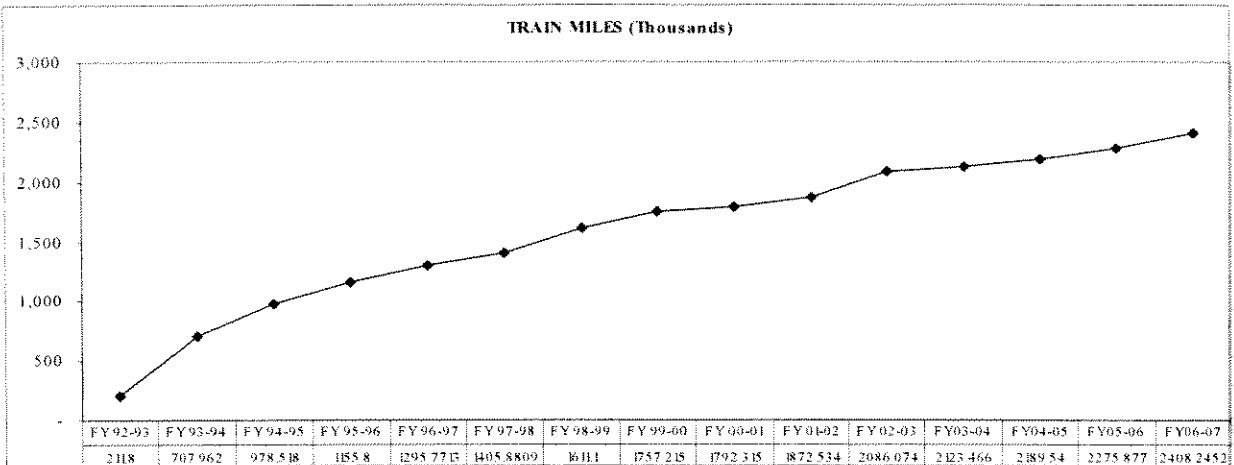


Figure 3
SCRRRA
Annual Revenue Recovery, Farebox Recovery and Operating Expense/Train Mile
Fiscal Year 1992-1993 to Fiscal Year 2006-2007

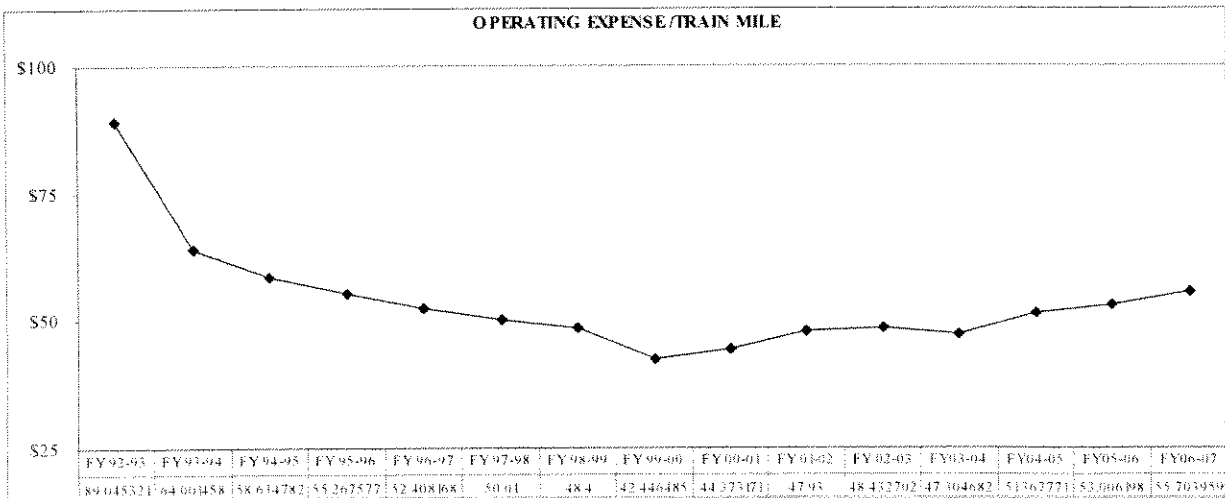
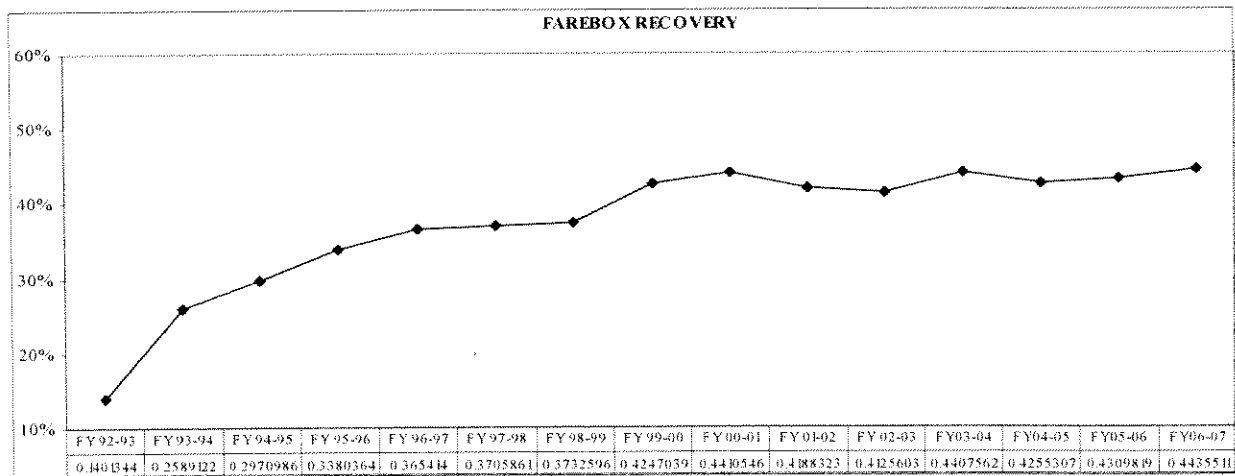
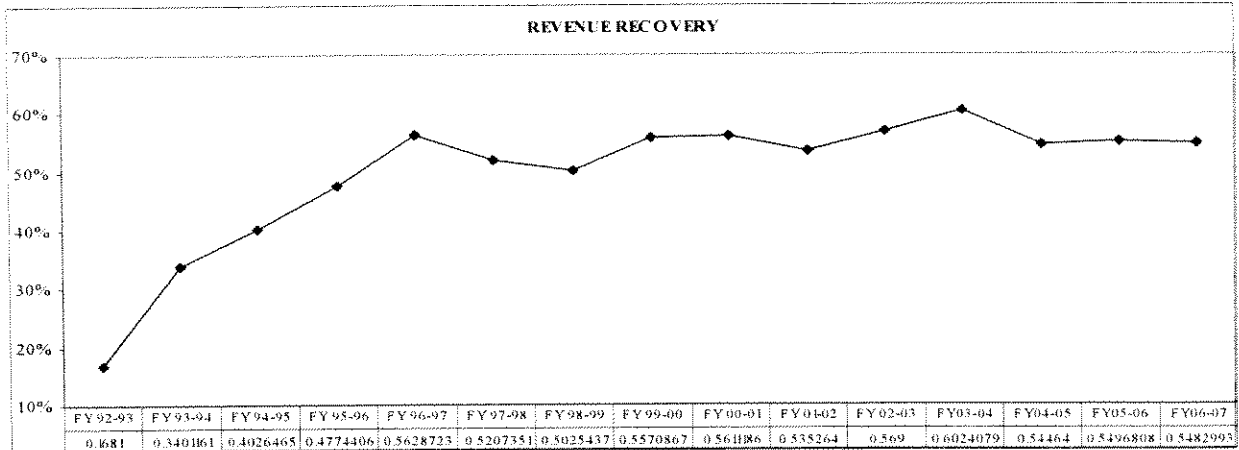


Figure 4
SCRRRA
Annual Operating Expenses/Passenger Mile, Operating Subsidy/Rider, and Operating
Subsidy/Passenger Mile
Fiscal Year 1992-1993 to Fiscal Year 2006-2007

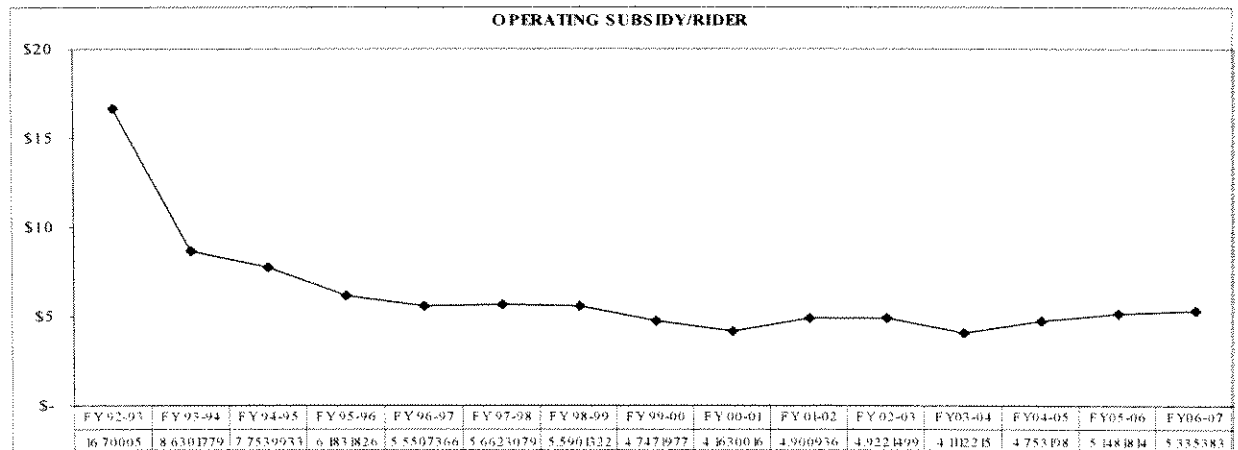
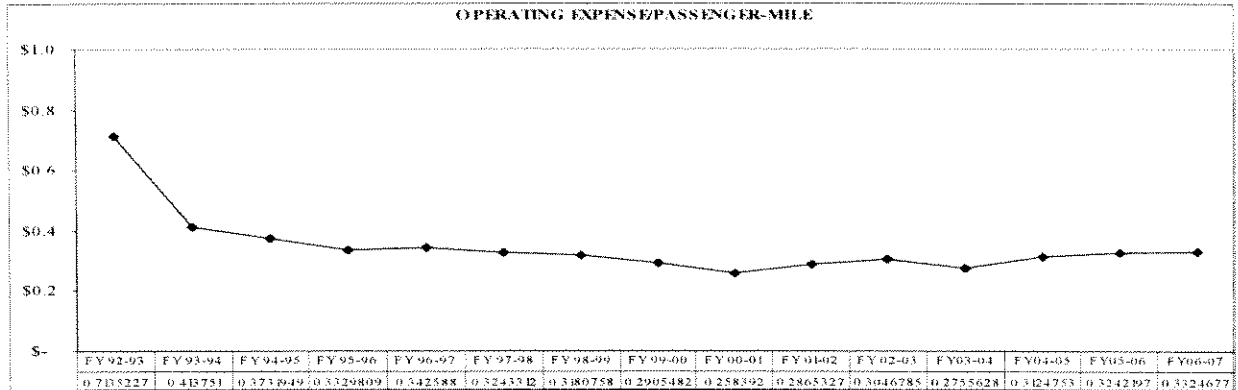
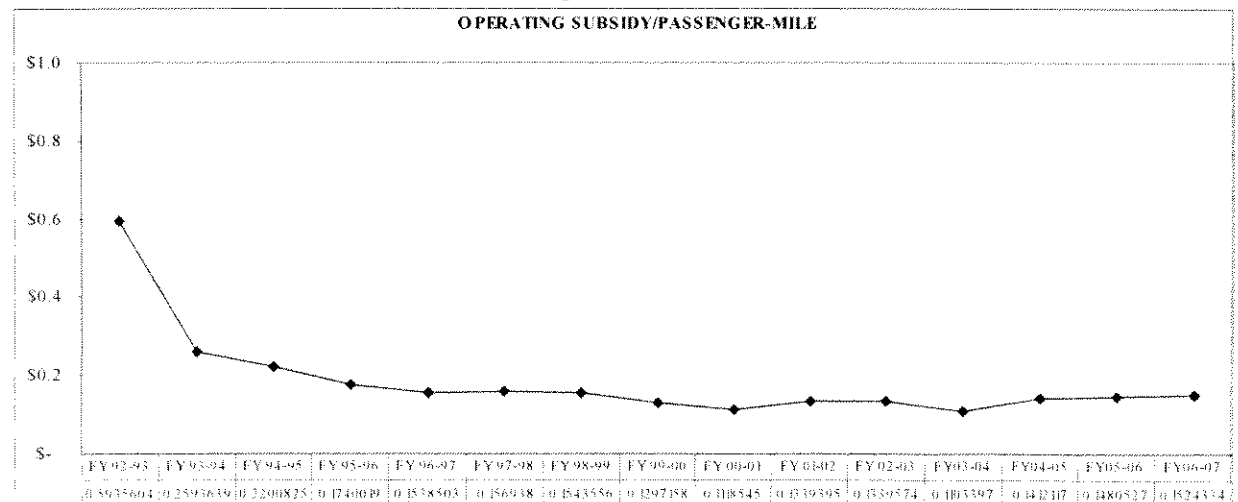


Figure 4 Cont.



While these tables indicate a continuing increase in revenues, expenses, train miles and ridership, on the performance side of the ledger the data suggest a maturing system with fairly stable operating expenses per train mile and passenger mile, as well as stable operating subsidies both for the individual rider as well as per passenger mile. In other words, costs appear to be under control. This is also reflected in the annual SANBAG passenger rail operations budget that has remained fairly stable over the past few years.

This operating budget includes every expense item in the budget other than capital expenditures. For FY 2006/07 the total operating budget is projected to be \$134.8 million. Operating costs are segregated into four broad cost categories according to agreed-upon formulas by the member agencies. These costs, as allocated to SANBAG, are shown in Figure 5, extracted from the FY 2006/07 Metrolink budget.

Figure 5
Metrolink Operating Subsidy Allocation to SANBAG by Expense Category
(\$ = 1,000)

<u>Expense Category</u>	<u>SANBAG</u>
Operations & Services	\$10.9
Administration	\$ 1.9
Contingency & Risk Management	\$ 1.5
Maintenance-of-Way	\$ 2.8
Total Expenses	\$16.7
<u>Revenue Category</u>	<u>SANBAG</u>
Gross Farebox	\$8.6
Dispatching	\$0.1
Other Operating	\$0.2
Maintenance-of-Way	\$0.1
Total Revenue	\$9.9
<i>SANBAG Subsidy Allocation</i>	\$6.9

Other SANBAG Passenger rail Program Expenses

While the majority of SANBAG expenditures for passenger rail services involve payments in one manner or another to Metrolink, there are other expenditures that are direct obligations of SANBAG and that do not involve Metrolink. SANBAG, as owner of both the San Bernardino rail line and the freight-only Baldwin Park Branch, must pay all right of way maintenance costs outside the immediate location of the rail tracks. In addition SANBAG pays insurance to protect all physical assets obtained with the rail line purchases as well as for miscellaneous utility expenses.

In 2007 these expenditures totaled \$0.4 million. SANBAG estimates that these costs will decrease through the life of the SRTP, per Figure 6 below. The increase noted in the first year relates to a special agreement with Montclair to share in the maintenance of the pedestrian undercrossing and security at the Montclair Transcenter for a two year period.

Figure 6
SANBAG Rail Program Expenses
(in millions)

<u>FY 07/08</u>	<u>FY 08/09</u>	<u>FY 09/10</u>	<u>FY 10/11</u>	<u>FY 11/12</u>	<u>TOTAL</u>
\$.69	\$.33	\$.34	\$.36	\$.37	\$2.1

Discussion of Metrolink Operating Cost Categories

The four cost categories displayed in Figure 5 represent the sum of all costs allocated to the Metrolink Operating budget. The first, Operations and Services, is related to the direct operation of trains and is the largest single cost category.

The second cost category is labeled “Administration” and relates to SANBAG’s share of administrative staffing costs outside of those costs directly related to train operations.

The third cost category is “Contingency and Risk Management” and relates to SANBAG’s share of insurance costs and funds that have been set aside for unexpected occurrences.

Maintenance-of-Way (MOW) relates to SANBAG’s share of maintaining tracks used by all Metrolink trains (such as at Union Station) as well its share of maintaining tracks and signals on tracks which it owns (such as on the San Bernardino Line). Generally speaking, MOW is a “fixed” cost that does not vary greatly by the number of passenger trains operated. Once a desired level of service quality is selected (and the cost of this will vary by terrain and the amount of freight traffic, among other factors), the actual level of annual MOW expenditures ought to remain relatively constant. MOW expenditures will increase if there are major extensions of service, such as to Redlands, or new sections of double track.

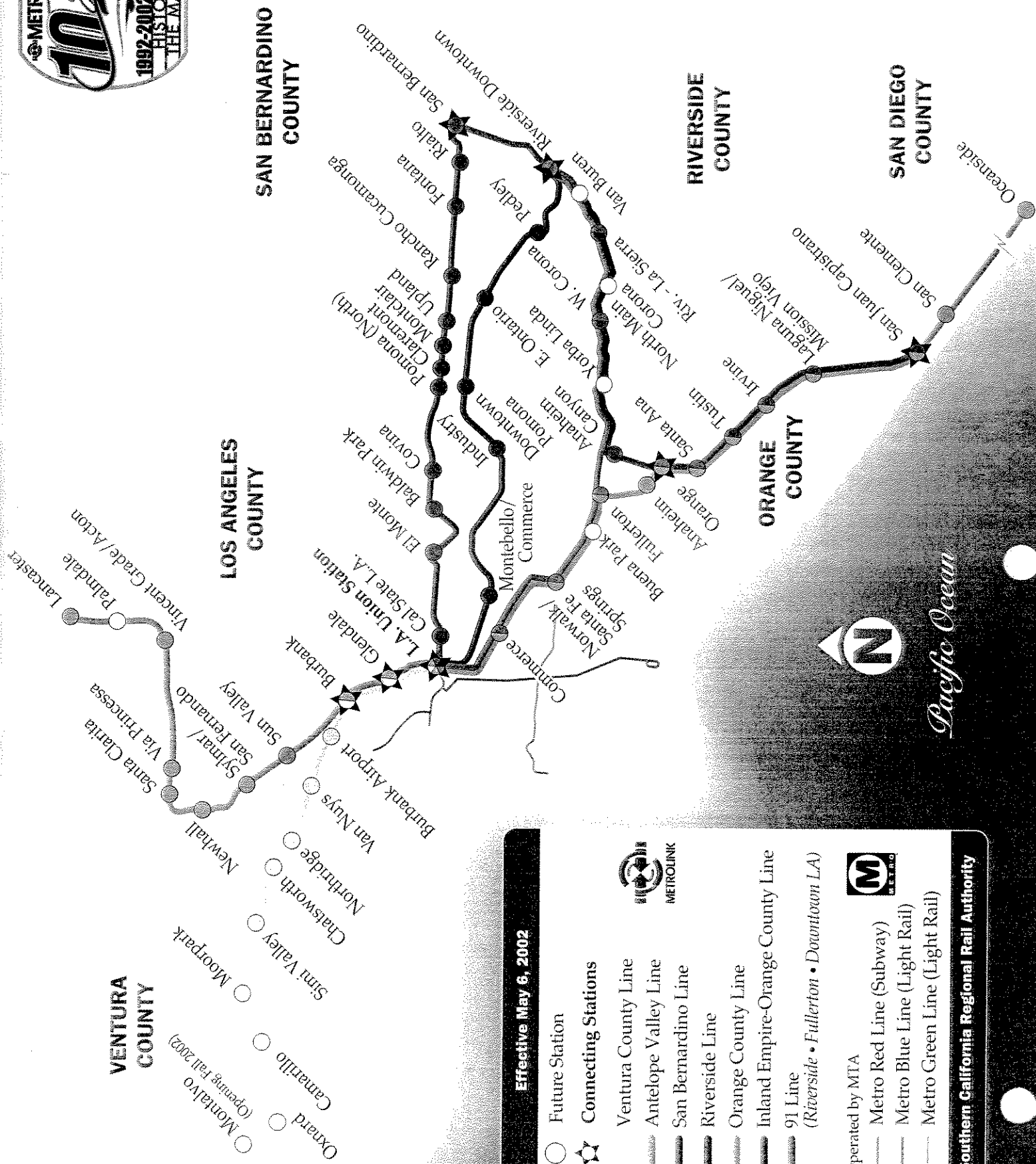
These four categories are what constitute Metrolink’s operating costs.

III SANBAG-FUNDED METROLINK RAIL ROUTES

SANBAG directly shares in funding three routes in the Metrolink system:

1. The San Bernardino Line (SBL) operating between San Bernardino and Los Angeles;
2. The Inland Empire-Orange County Line (IEOC) operating between San Bernardino and Irvine; and
3. The Riverside Line operating between Riverside, East Ontario (in San Bernardino County) and Los Angeles

These three lines and all Metrolink routes are shown on Figure 1, Metrolink System Map.



SOUTHERN CALIFORNIA'S COMPUTER TRAIN SYSTEM

In 1991, Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties formed the Southern California Regional Rail Authority to develop Metrolink, a regional commuter train system.

Today, Metrolink trains serve 51 stations in Southern California, carrying thousands of long-distance commuters to centers of employment such as Burbank, Glendale, Irvine and Downtown Los Angeles. Trains are also popular with group travelers, taking students on field trips and families to fun recreational destinations throughout the region.

For more information call (800) 371-LINK or visit www.metrolinktrains.com. Discover the Metrolink advantage!

LINES AND STATION LOCATIONS

SAN BERNARDINO LINE

Trains run from San Bernardino to Los Angeles, paralleling the San Bernardino Freeway (I-10). The 57-mile commute from San Bernardino to Los Angeles takes 1 hour and 25 minutes.

- **SAN BERNARDINO**
1204 W. 3rd Street
- **RIALTO**
261 S. Palm Avenue
- **FONTANA**
16777 Orange Way
- **RANCHO CUCAMONGA**
11208 Azusa Court
- **UPLAND**
300 East A Street
- **MONTCLAIR**
5091 Richton Street
- **CLAREMONT**
200 W. 1st Street
- **POMONA (NORTH)**
205 Santa Fe Street
- **COVINA**
600 N. Citrus Avenue
- **BALDWIN PARK**
3825 Downing Avenue
- **EL MONTE**
10925 Railroad Street
- **CAL STATE L.A.**
5150 State University Drive
- **L.A. UNION STATION**
800 N. Alameda Street

ANTELOPE VALLEY LINE

Trains run from Lancaster to Los Angeles, paralleling the Antelope Valley Freeway (State Route 14) and Golden State Freeway (I-5). The 76-mile trip takes 1 hour and 40 minutes.

- **LANCASTER**
44812 N. Sierra Highway
- **VINCENT GRADE/ACTON**
730 W. Sierra Highway
- **VIA PRINCESSA**
19201 Via Princessa
- **SANTA CLARITA**
22122 Soledad Canyon Road
- **NEWHALL**
24300 Railroad Ave
- **SYLMAR / SAN FERNANDO**
12219 Frank Modugno Drive
- **SUN VALLEY**
8360 San Fernando Road
- **BURBANK**
201 N. Front Street
- **GLENDALE**
400 W. Cerritos Avenue
- **L.A. UNION STATION**
800 N. Alameda Street

RIVERSIDE LINE

Trains run from Riverside to Los Angeles, paralleling the Pomona Freeway (60). The 59-mile trip takes 1 hour and 15 minutes.

- **RIVERSIDE - DOWNTOWN**
4066 Vine Street
- **PEDLEY**
6001 Pedley Road
- **EAST ONTARIO**
3330 E. Francis Street
- **DOWNTOWN POMONA**
101 W. 1st Street
- **INDUSTRY**
600 S. Brea Canyon Road
- **MONTEBELLO / COMMERCE**
2000 Flotilla Street
- **L.A. UNION STATION**
800 N. Alameda Street

For more information on Metrolink call (800) 371-LINK, or (800) 698-4TDD for speech & hearing impaired customers, or visit www.metrolinktrains.com.

Trains run from Oxnard to Los Angeles, paralleling the Ventura Freeway (101) and the Simi Valley Freeway (118). The 66-mile trip takes 1 hour and 30 minutes.

- **OXNARD**
201 East 4th Street
- **CAMARILLO**
30 Lewis Road
- **MOORPARK**
300 High Street
- **SIMI VALLEY**
3050 Los Angeles Avenue
- **CHATSWORTH**
10046 Old Depot Plaza Road
- **NORTHridge**
8775 Wilbur Avenue
- **VAN NUYS**
7720 Van Nuys Boulevard
- **BURBANK AIRPORT**
3750 Empire Avenue
- **BURBANK**
201 N. Front Street
- **GLENDALE**
400 W. Cerritos Avenue
- **L.A. UNION STATION**
800 N. Alameda Street

ORANGE COUNTY LINE

Trains run from Oceanside to Los Angeles, paralleling the Santa Ana Freeway (I-5). The 87-mile trip takes 1 hour and 45 minutes.

- **OCEANSIDE**
235 S. Tremont Street
- **SAN CLEMENTE**
1850 Avenida Estacion
- **SAN JUAN CAPISTRANO**
26701 Verdugo Street
- **LACUNA NIGUEL/MISSION VIEJO**
28200 Forbes Road
- **IRVINE**
15215 Barranca Parkway
- **TUSTIN**
2975 Edinger Avenue
- **SANTA ANA**
1000 E. Santa Ana Boulevard
- **ORANGE**
194 N. Atchison Street
- **ANAHEIM**
2150 E. Katella Avenue
- **FULLERTON**
120 E. Santa Fe Avenue
- **NORWALK / SANTA FE SPRINGS**
12700 Imperial Highway
- **COMMERCE**
6433 26th Street
- **L.A. UNION STATION**
800 N. Alameda Street

INLAND EMPIRE - ORANGE COUNTY LINE

Trains run from San Bernardino to San Juan Capistrano, paralleling the Riverside Freeway (91), the Costa Mesa Freeway (55) and the Santa Ana Freeway (I-5). The 59-mile trip takes 1 hour and 35 minutes.

- **SAN BERNARDINO**
1204 W. 3rd Street
- **RIVERSIDE - DOWNTOWN**
4066 Vine Street
- **RIVERSIDE - LA SIERRA**
10901 Indiana Avenue
- **WEST CORONA**
155 S. Auto Center Drive
- **ANAHEIM CANYON**
1039 Pacificcenter Drive
- **ORANGE**
194 N. Atchison Street
- **SANTA ANA**
1000 E. Santa Ana Boulevard
- **TUSTIN**
2975 Edinger Avenue
- **IRVINE**
15215 Barranca Parkway
- **LACUNA NIGUEL/MISSION VIEJO**
28200 Forbes Road
- **SAN JUAN CAPISTRANO**
26701 Verdugo Street

91 LINE (RIVERSIDE • FULLERTON • DOWNTOWN L.A.)

The 60-mile line connects from Riverside to Los Angeles via Fullerton, paralleling the Riverside Freeway (91) and the Santa Ana Freeway (I-5). Travel time to L.A. is 1 hour and 30 minutes.

- **RIVERSIDE - DOWNTOWN**
4066 Vine Street
- **RIVERSIDE - LA SIERRA**
10901 Indiana Avenue
- **WEST CORONA**
155 S. Auto Center Drive
- **FULLERTON**
120 E. Santa Fe Avenue
- **NORWALK/SANTA FE SPRINGS**
12700 Imperial Highway
- **COMMERCE**
6433 26th Street
- **L.A. UNION STATION**
800 N. Alameda Street

San Bernardino Line

The San Bernardino Line is the strongest line in the Metrolink system. This single line accounts for 28% of all weekday Metrolink ridership. And while it also operates the most trains (34 each weekday), it has not achieved high ridership solely by operating more trains. The San Bernardino line has a revenue recovery rate of 66.6% and a fare recovery ratio of 56.7%. Comparable figures for the Metrolink system as a whole are 54.6% and 44.4%.

The subsidy-per passenger mile for Metrolink overall is \$0.13, while the comparable number is 38% lower for the San Bernardino line at \$0.08 per passenger mile.

This is clearly a route that is popular and well patronized. This popularity has led to some very congested trains during the peak period both in the morning and afternoon on weekdays. As service continues to grow the need for additional track and even rolling stock also continues to grow.

Metrolink currently operates 34 weekday trains, 20 Saturday trains and 12 Sunday trains. There is currently no service on four holidays: Memorial Day, Independence Day, Labor Day, and Christmas.

Net train operating costs are split between METRO and SANBAG, with MTA assuming 60% of the costs based upon train miles within its county and SANBAG assuming 40% of the costs based upon train miles within the San Bernardino Valley.

Peak Period Weekday Service

The general goal of SANBAG is to develop a schedule during peak periods of trains operating every 20 minutes between the first departure at 4:18 AM and the last peak period departure at 8:14 AM. Currently 9 trains operate during this period while the goal is 13 trains. There are two principal reasons why only 9 trains operate. The first is that while it would be theoretically possible to take the first few trains of the morning and run them back to a San Bernardino County station such as Rancho Cucamonga for another departure towards Los Angeles and thus use the same train twice during the peak period, there is a significant gap in double track between Covina and Pomona. SANBAG hopes to address this gap by sponsoring a project to build that double track but has not yet reached agreement with METRO for that agency's share of funding. Once that track is built it will be possible to operate some trains "against the flow of traffic" back to at least Rancho Cucamonga and thus achieve greater productivity with the same equipment fleet.

The second reason why only 9 trains operate is that there are currently no additional locomotives or coaches that can be used to add new trains to the line. Metrolink will be taking delivery of additional locomotives and coaches during 2009. There is great need for this equipment all over the Metrolink system and currently SANBAG anticipates that it will receive one additional train which can be assigned to the San Bernardino Line and which will originate out of San Bernardino. When the double track project between Pomona and Covina is built and the new equipment arrives, SANBAG intends to seek additional peak period trains using a combination

of new trains and trains that can operate against the flow of traffic without delaying opposing trains. These peak period trains are particularly economic as they typically generate more revenue than the actual cost of operations.

In this SRTP period SANBAG is seeking one additional peak period round trip on the San Bernardino Line in FY 2010/11. It is not certain whether the State or METRO will provide funding for the Pomona-Covina double track project and, if it does, when that project will be complete. Consequently no funds are specifically budgeted for more peak period service using equipment that reverses from Los Angeles after their first morning run back to Rancho Cucamonga for a second peak period morning run towards Los Angeles. Nevertheless, since the financial performance of these peak period trains are high, should the double track project be funded and completed prior to the end of this SRTP period, SANBAG will seek to implement more turn-back peak period service on this line.

Off-Peak Weekday Service

The SBL offers more than just peak hour service. In fact there is substantial off-peak ridership throughout the day. SANBAG wishes to gradually expand service along the line to at least hourly service in both directions. This can be accomplished relatively easily since, in contrast to the peak periods, there is ample equipment available. The question is whether there is sufficient ridership and revenue to fund the off-peak service.

A major gap in the hourly service goal is a 9:45 AM train from San Bernardino. To meet this service need, a train would have to depart Los Angeles at 8:00 AM. Using current ridership statistics from the 8:58 AM Los Angeles departure (106) and average ridership on the 11:00 AM train from San Bernardino (233), it appears that total ridership would be approximately 340. This new train would also likely draw some riders from other trains. Nevertheless it is not unreasonable to assume ridership performance for the new trains similar to the ridership performance on similar trains within the system.

SANBAG is seeking an off-peak round trip in FY 07/08, another one in FY 08/09 and two more round trips in FY 10/11, for a total of four new off-peak round trips during this SRTP period. These four round trips will help establish the basic planned pattern of minimum hourly headways during the day on this line.

Saturday Train Service

Metrolink began operations in 1992 with its principal focus on the home-to-work trip. Over the years this basic service has expanded to include many midday trains during the week as well as Saturday and Sunday service. The SBL is still primarily oriented to taking area residents to their job site each weekday but it has also assumed more and more the character of a regional passenger rail service. In that sense the SBL is beginning to replicate the historic Pacific Electric "Red Car" service that once served San Bernardino and provided all day and all week service between this area and Los Angeles.

Metrolink currently operates twenty trains on the SBL each Saturday, including two westbound which originate in Riverside and two eastbound that terminate in Riverside.

The SBL averaged 2,775 passengers on each Saturday in November of 2006. The SCRRA FY 2006/2007 budget forecasts average monthly ridership of 3,710.

Contributing to this projected ridership gain are the two new round trips added in late 2006 and paid for entirely by SANBAG. The long term goal of SANBAG is to have hourly service on both Saturday and Sunday. Of these four new one-way trains (2 round trips), one is a late-night departure from Los Angeles at 11:30 PM permitting Inland Empire residents the opportunity to attend cultural and sporting events in downtown Los Angeles. SANBAG is considering implementing some express trains on Saturday during FY 2007/08.

This SRTP projects adding two more Saturday round trips in FY 10/11 and two more in FY 11/12.

Sunday Train Service

Metrolink currently offers six round trips on Sunday, transporting approximately 1,658 riders on each Sunday in November of 2006 and projected to carry an average of 2,338 every Sunday for FY 2006/07. Currently Saturday and Sunday trains both average 138 riders per train.

There is one additional note on Sunday service. Currently on two Sundays each year SANBAG charts several trains to carry race fans from all over Southern California to the California Speedway in Fontana. The operation of up to nine charter trains presents unique challenges to the operation of regular Sunday service, particularly after the race when all charter trains attempt to depart within a very narrow window. For this reason SANBAG is working with Metrolink to investigate the feasibility of adjusting some regular Sunday train schedules on those two race dates.

The SANBAG recommendation is to add five additional round trips on Sunday during the SRTP period. The first would be added in FY 07/08, two more in FY 10/11 and the final two in FY 11/12.

Summary of Recommended Service Additions

Table 1 displays the proposed service additions to the SBL during the SRTP period. Nine specific service proposals are presented: one off-peak period round trip each weekday between San Bernardino and Los Angeles in FY 07/08; one Sunday round trip in FY 07/08; one off-peak weekday round trip in FY 08/09; one peak period round trip in FY 10/11; two Saturday round trips in FY 10/11; two off-peak weekday round trips in FY 10/11; two Sunday round trips in FY 10/11; two Saturday round trips in FY 11/12; and two Sunday round trips in FY 11/12.

Table 1
San Bernardino Associated Governments
Total Passenger Rail Operating Budget

(\$=1,000)

COST CATEGORY	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	5 YR.TOTAL
1. Current Subsidy Budget Inflated	\$ 7,000	\$ 7,280	\$ 7,571	\$ 7,874	\$ 8,189	\$ 8,517	\$ 39,431
2. SANBAG Rail Program	\$ 452	\$ 686	\$ 335	\$ 345	\$ 355	\$ 366	\$ 2,088
Subtotal Base System	\$ 7,452	\$ 7,966	\$ 7,906	\$ 8,219	\$ 8,544	\$ 8,883	\$ 41,518
3. Proposed New Services Subsidy							
a. 1 Off-Peak RT SB - LA	\$ -	\$ 298	\$ 307	\$ 316	\$ 326	\$ 335	\$ 1,582
b. 1 Sunday RT SB - LA	\$ -	\$ 60	\$ 62	\$ 38	\$ 39	\$ 40	\$ 239
c. 1 Off-Peak RT SB - LA	\$ -	\$ -	\$ 298	\$ 307	\$ 316	\$ 326	\$ 1,247
d. 1 Peak RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 44	\$ 45	\$ 89
e. 2 Saturday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 123	\$ 242
f. 2 Off-Peak RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 596	\$ 614	\$ 1,210
g. 2 Sunday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 123	\$ 242
h. 2 Saturday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 119
i. 2 Sunday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 119
j. IEOC & Riverside Future Service Enhancements	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221	\$ 221
10% Contingency for New Service	\$ -	\$ 36	\$ 67	\$ 66	\$ 156	\$ 207	\$ 531
Subtotal New Service Subsidy	\$ -	\$ 394	\$ 734	\$ 727	\$ 1,715	\$ 2,272	\$ 5,841
Total Subsidy	\$ 7,452	\$ 8,360	\$ 8,640	\$ 8,946	\$ 10,259	\$ 11,154	\$ 47,359

Inland Empire Orange County Line

The (IEOC) is the only Metrolink line that does not terminate in Los Angeles. The IEOC operates from San Bernardino through Riverside to various destinations, including Irvine, San Juan Capistrano and Oceanside. Farebox recovery on this line is 43.0%, compared to the overall Metrolink farebox recovery of 44.4%. Total revenue recovery for the IEOC is 58.6% compared to 58.6% for the overall system.

The subsidy per passenger-mile overall on Metrolink is \$0.13, while the comparable figure for the IEOC is \$0.14.

Average weekday ridership in November 2006 was 4,726 while forecasted average weekday ridership for FY 2006/07 is 4,155. The IEOC line accounts for approximately 9% of the Metrolink ridership.

Metrolink currently operates eight round trips on this line each weekday. Of these eight round trips, four originate and terminate in San Bernardino and four additional round trips originate and terminate in Riverside. On Saturdays and Sunday, Metrolink began operating two round trips between San Bernardino and Oceanside in mid-summer, 2006. In addition, on Saturday only, Metrolink also operates a round trip between Oceanside and Riverside.

Net operating costs for the IEOC are split between SANBAG at 10%, Riverside County Transportation Commission (RCTC) 40% and Orange County Transportation Authority (OCTA) 50% based upon train miles within each county.

Within the Inland Empire and Orange County all IEOC trains serve the following stations: San Bernardino, Riverside, La Sierra, North Main Corona, West Corona, Anaheim Canyon, Orange, Santa Ana, Tustin and Irvine. In addition two trains from San Bernardino continue beyond Irvine to serve Laguna Niguel/Mission Viejo and San Juan Capistrano and one of those trains continues beyond San Juan Capistrano to San Clemente and Oceanside. In Oceanside the IEOC train makes a connection with the Coaster Commuter trains providing service to towns located between Oceanside and San Diego. These IEOC trains also connect with Amtrak at Santa Ana, Irvine, San Juan Capistrano and Oceanside for trips continuing to San Diego.

The IEOC operates over 40.6 miles of track controlled by the Burlington Northern Santa Fe with the balance of the route controlled by Metrolink. Total route mileage to Irvine from San Bernardino is 58.7 while to Oceanside it is 100.1.

The ability of Metrolink to operate trains over the IEOC route is governed by an agreement entered into by RCTC, OCTA and the Burlington Northern Santa Fe Railroad on October 30, 1992. This agreement has been further amended on several occasions.

This agreement, among other things, sets out the level of passenger train service for the two track segments between the San Bernardino Depot and Atwood at milepost 40.6 where the IEOC route diverges from the BNSF tracks to join Metrolink tracks. These levels of service are based upon specific track improvements. The track improvements between San Bernardino and Riverside

limit IEOC service to only four round trips between San Bernardino and Riverside. Between Riverside and Atwood the level of capital improvements appear to permit up to 18 round trips. It is for this reason that only 4 of the 6 current IEOC round trips operates to and from San Bernardino.

SANBAG, RCTC, OCTA and Metrolink personnel have been developing long range plans for the improvement of the IEOC route. RCTC has submitted plans that would result in an increase of service: from 8 round trips to 12 round trips. Based upon the agreements linking passenger train service to specific capital improvements it appears that the RCTC plan is technically feasible within the next 10 years. Metrolink has submitted these plans to BNSF for its analysis. SANBAG has requested that Metrolink submit an additional option to BNSF that includes the extension of many of these new trains to San Bernardino.

By this request SANBAG has not committed to operate these trains. It is seeking to learn the extent of capital improvements that may be required by the BNSF in order to permit more services.

It is expected that SANBAG and the other Metrolink agencies will enter into negotiations with the BNSF to determine the technical and financial feasibility of expanding service from San Bernardino to Riverside on the IEOC route. It is possible that RCTC and OCTA may expand IEOC service—using current operating entitlements from the BNSF on the Riverside-Atwood segment—prior to the resolution of these ongoing negotiations on the San Bernardino-Riverside segment with the BNSF. If such were done these trains would originate and terminate in Riverside.

While it is not clear whether additional IEOC service can be expanded to San Bernardino, nevertheless this SRTP assumes some success in negotiations with the BNSF. Consequently, beginning in FY 011/12 \$221,000 is included for SANBAG's share of additional service on either this line or the Riverside Line or both. It would be expected that any added service on the IEOC line to or from San Bernardino would include a peak period round trip.

Riverside Line

The Riverside Line averaged 5,020 riders per weekday during November of 2006, approximately 12% of total Metrolink ridership. For the fiscal year 2006/07 ridership is forecast at 4,723 average daily trips. Farebox recovery is 47.5% compared to the overall Metrolink farebox recovery of 44.4%.

The subsidy per passenger-mile is \$0.13 compared to the overall Metrolink subsidy of \$0.13 per mile.

The Riverside Line had been generally characterized as having erratic on-time performance for several years. The trains operate over tracks owned by the Union Pacific Railroad and this railroad has, over the past several years, been unable to provide consistent on-time performance. There are two relatively parallel routes that offer more reliable service to Los Angeles: the San Bernardino Line between San Bernardino and Los Angeles and the 91 Line between Riverside,

Fullerton and Los Angeles. The combination of unreliable service and competing routes with much higher reliability has led to growth stagnation on this route. The route also suffers from insufficient peak period train choices as well.

This is a route—given the number of years in which it has operated—that would ordinarily be carrying over 6,000 riders a day by now if there had been better schedule reliability. The poor performance of this route has had a depressing effect on ridership. Nevertheless, from a financial perspective, this route has performed creditably and helps raise the overall efficiency statistics for Metrolink.

The Riverside Line operates between Riverside and Los Angeles over tracks owned by the Union Pacific Railroad. By contract between the railroad and the public agencies supporting the service, 6 round trips can operate between those two end points. In order to increase service on this route a new agreement with the UPRR is required.

Partly in response to the service limitations on this route, Metrolink has been able to squeeze out more service by operating one train in the peak direction both in the morning and the afternoon and then returning that train to the station of origin by routing it on the generally parallel BNSF tracks. This has permitted Metrolink to operate five trains in the peak direction in both the morning and afternoon. Without this creative expedient Metrolink would have been limited to either four peak period trains and one midday train or five peak period trains and no midday train service.

Lacking a new agreement with the UPRR it is not possible to add more train service on this line. More peak service is desired. In response to this need Metrolink and the member agencies have begun extended discussions with the UPRR regarding an amendment to the basic agreement that would result in more train service. For its part the UPRR has indicated uncertainty about whether it would ultimately permit additional train service but that if it did it would certainly require substantial additional capital improvements along its line.

SANBAG and its partners—METRO and RCTC—do have the contractual right to operate 2 round trips on Saturday. These agencies sponsored Saturday service in the past but poor performance led to its discontinuance. The agencies might seek to revise the contract to trade the Saturday service authority in exchange for an additional round trip each day of the week. This would eliminate 208 potential passenger train movements on 52 Saturdays and authorize 510 annual passenger train movements over 255 weekdays.

SANBAG and Metrolink personnel have engaged in an extended planning exercise to determine desired levels of train service on each route. This exercise has resulted in a proposed doubling of train service on this route by 2014. By 2012 (the end of this SRTP planning period), staff of both agencies would like to see up to 4 additional round trips. These service estimates have been provided to the UPRR and will form the basis for future negotiations.

While the outcome of these negotiations with the railroad are unknown SANBAG is setting aside \$221,000 beginning in FY 11/12 to provide funding for its share of potential new services on either the Riverside Line or the IEOC line or both.

Summary of Proposed Metrolink Operating Budget

The Metrolink operating budget portion of the SRTP includes all of those expenditure categories related to the operation of the trains. As noted earlier in this report, these expenditure categories include all costs related to train operations and SANBAG railroad maintenance of way obligations. The current level of train service and maintenance of way are assumed to continue at steady state levels, adjusted 4% annually to reflect inflation. New Services are shown in the Table below in the year in which they are recommended for initiation. In addition, operating reserves in the amount of \$221,000 beginning in FY 2011/2012 are included for the SANBAG portion of new service on either or both the IEOC and the Riverside Lines.

Table 2 represents the proposed Ridership Growth for each Line.

Table 2

San Bernardino Associated Governments Passenger Rail Ridership Growth

Average Ridership	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12
Weekday San Bernardino - Los Angeles	12,340	12,834	13,347	13,881	14,436	15,013
Weekday Inland Empire/Orange County	4,155	4,571	5,028	5,530	6,083	6,692
Weekday Riverside Line	4,723	4,770	4,818	4,866	4,915	4,964
Total Average Weekday	21,218	22,174	23,192	24,277	25,434	26,669
Saturday San Bernardino - Los Angeles	3,710	3,784	3,860	3,937	4,016	4,096
Sunday San Bernardino - Los Angeles	2,338	2,385	2,432	2,481	2,531	2,581
Saturday Inland Empire/Orange County	930	949	968	987	1,007	1,027
Sunday Inland Empire/Orange County	580	592	603	616	628	640
Total Average Saturday	4,640	4,733	4,827	4,924	5,022	5,123
Total Average Sunday	2,918	2,976	3,036	3,097	3,159	3,222
Proposed San Bernardino Line New Train Services						
a. 1 Off-Peak Round Trip 07/08		300	312	324	337	351
b. 1 Sunday Round Trip 07/08		340	347	354	361	368
c. 1 Off-Peak Round Trip 08/09			300	312	324	337
d. 1 Peak Round Trip 09/10				900	936	973
e. 2 Saturday Round Trip 09/10				680	694	707
f. 2 Off-Peak Round Trip 09/10				600	624	649
g. 2 Sunday Round Trip 10/11				680	680	694
h. 2 Saturday Round Trip 11/12						600
i. 2 Sunday Round Trip 11/12						600
Proposed IEOC & Riverside Lines New Weekday						
j. Inland Empire Orange County/Riverside Service 11/12						2,000
Incremental Weekday San Bernardino - Los Angeles		300	612	1,536	2,222	2,311
Incremental Weekend San Bernardino - Los Angeles		340	347	1,634	1,734	2,969
Incremental Weekday Inland Empire/Orange County & Riverside						2,000
Weekday San Bernardino - Los Angeles Total	12,340	13,134	13,959	15,417	16,658	17,324
Weekday Inland Empire/Orange County Total	4,155	4,571	5,028	5,530	6,083	7,692
Weekday Riverside Total	4,723	4,770	4,818	4,866	4,915	5,964
Average Weekday Total	21,218	22,474	23,804	25,814	27,656	30,980
Saturday San Bernardino - Los Angeles Total	3,710	3,784	3,860	4,617	4,709	5,404
Sunday San Bernardino - Los Angeles Total	2,338	2,725	2,779	2,835	3,572	4,243
Saturday Inland Empire/Orange County Total	930	949	968	987	1,007	1,027
Sunday Inland Empire/Orange County Total	580	592	603	616	628	640
Average Saturday Total	4,640	4,733	4,827	5,604	5,716	6,430
Average Sunday Total	2,918	3,316	3,383	3,450	4,199	4,883

IV MAINTENANCE-OF-WAY

In addition to its share of train operating costs and other Metrolink agency costs SANBAG also funds an annual maintenance-of-way (MOW) program not only on the lines owned by SANBAG (most notably the San Bernardino Line) but also on lines owned by other Metrolink agencies and over which trains co-funded by SANBAG operate. Offset against these costs are revenues received by SANBAG from the freight carriers such as the Burlington Northern Santa Fe and the Union Pacific Railroad for the use of railroad properties owned by SANBAG. The principal source of SANBAG funding for MOW is the Valley LTF apportionment.

MOW expenses include signal maintenance, occasional railroad tie or track replacement, track surfacing, as well as switch repair and maintenance. The Metrolink philosophy is "to perform ordinary maintenance sufficient to prevent any loss of service quality and to budget for Rehabilitation/Renovation at sufficient intervals to prevent the needed repairs/replacements from overwhelming the ordinary MOW budget."

This philosophy results in a general steady-state MOW budget. Major items more related to replacement or renewal of assets are directed to the Capital budget.

Figure 7 below itemizes the FY 2002/03 MOW budget for all Metrolink lines for which SANBAG bears some financial involvement.

Figure 7
Fiscal Year 2006/2007 Maintenance of Way Expenditures
(\$1,000)

<u>Line/Segment</u>	<u>System Cost</u>	<u>Freight Revenue</u>	<u>Net SANBG Cost</u>
San Bernardino Line (San Gabriel Sub.)	\$4.4	\$0.9 (BNSF)	\$1.4
Riverside Layover Facility	\$0.1		\$0.0
River Corridor/LA Union Station	\$3.1		\$0.3
Reserve for Extra-Ordinary Maintenance	\$0.7		\$0.1
Baldwin Park Branch	\$0.2	\$0.1 (UPRR)	\$0.1
TOTAL	\$8.5	\$1.0	\$1.8

SANBAG does not pay separate maintenance-of-way costs for either the Riverside Line or the IEOC. This is because the private railroads owning those lines have full responsibility for their maintenance. The contract with each railroad specifies a train-mile charge that is intended to pay for a portion of track maintenance attributable to commuter train operations. These are Direct Charges and are included within the train operating budget.

The MOW estimate is included below in Figure 8.

Figure 8
SRTP MOW Estimate from Fiscal Year 2007-2008 to Fiscal Year 2011-2012

<u>SRTP PERIOD</u>	<u>FUNDING AMOUNT</u>
2007/2008	\$2,858,960
2008/2009	\$2,973,318
2009/2010	\$3,092,251
2010/2011	\$3,215,941
2011/2012	\$3,344,578

These expenditures are funded by SANBAG from the Valley LTF apportionment and freight fees. The financing plan is discussed in more detail later in this report. These maintenance-of-way expenses are included with train operating costs in the Metrolink budget and are not billed separately. Table 1 summarizes the Passenger Rail Operating budget for the SRTP period. These Maintenance of Way expenditures are included in Line 1 of Table 1: “Current Subsidy Budget Inflated”.

V COMMUTER SERVICE CAPITAL BUDGET

The SANBAG and Metrolink Capital Budgets, similar to capital investment programs at other agencies and companies, can vary significantly year-to-year. For major capital expenditures a project can take years to design, obtain environmental clearance and secure funding. Thus there can be wide swings in budgets from year-to-year as these projects are moved forward.

In addition to the major capital projects, each year Metrolink funds what are referred to as “Rehabilitation / Renovation” projects. These are projects that replace worn out assets with like or improved assets and thus extend the useful life of these capital assets. Metrolink, in cooperation with the member agencies, identifies a target list of those capital assets that are candidates for funding and then further adjust the list on an annual basis to include those assets which require immediate attention and / or assemble a list of assets which are fundable per the member agency’s available budget.

For purposes of the annual capital budget Metrolink lists these two categories of capital projects separately: the “Rehabilitation / Renovation” projects and the “New Capital”.

Rehabilitation and Renovation Budget

In FY 2006/07 SANBAG invested \$3,700,000 for Rehabilitation / Renovation projects within the Metrolink system. Of this amount \$2.1 million was for track, bridge, signal and Right of Way protection on the San Bernardino Line, \$187,000 to improve travel time on the “short way” track between the San Bernardino station and Colton on the IEOC line, \$626,900 for rolling stock renovation, \$237,100 for Ticketing Machine upgrades, and the balance for miscellaneous projects within the Metrolink system.

No Rehabilitation or Renovation projects were identified on either the Riverside Line or the Inland Empire – Orange County Line, primarily because both these lines are maintained 100% by the private railroads owning them.

In the most recent fiscal year the source of SANBAG funds for this budget category was FTA Section 5309 Rail Modernization funding. SANBAG must match these federal funds with 20% of other non-federal funds. The federal funds are provided to SANBAG through a formula based primarily on route miles of commuter train service. These funds would not accrue to SANBAG were it not for the passenger rail service.

In future years SANBAG expenditures for Renovation and Rehabilitation should continue at a steady state level, inflated by 7% annually.

Figure 9
Rehabilitation and Renovation Expenditures by Year

<u>YEAR</u>	<u>BUDGET</u>
2007/2008	\$3.134
2008/2009	\$3.353
2009/2010	\$3.588
2010/2011	\$3.839
2011/2012	\$4.108

New Capital Projects

New Capital projects are those that expand the Metrolink system. Any project that expands system capacity is included in this category including track, additional maintenance facilities, cars and locomotives.

In the FY 2006/07 Metrolink has budgeted \$348.7 million in new capital funding. Of this amount, \$22.1 million is an obligation of SANBAG's. \$11.39 million is allocated for the design and construction of the Eastern Maintenance Facility (EMF) in Colton near the San Bernardino station. An additional \$10.36 million is allocated for rolling stock procurement. SANBAG is also setting aside \$316,000 to create a reserve account for future replacement of rolling stock.

New Capital projects will potentially represent a significant budget element of the SRTP. New Capital projects are identified not only for the SBL but also for the other two Metrolink lines in which SANBAG is involved. Additionally Metrolink itself is proposing a significant investment in new rolling stock and a maintenance facility to service them. These New Capital projects will be discussed in detail in each of the following sections of the report and will be summarized collectively at the conclusion of the analysis.

San Bernardino Line

As SANBAG looks to the future, continued growth on the SBL will over time require more and more double track wherever such double track is physically feasible. Double track introduces much greater reliability within the system such that a late train in one direction does not miss its pre-arranged passing location with an opposing train and thus cause that train also to be late. Frequently a single late train can have a cascading effect on many other trains until the train schedules are brought back into equilibrium and all trains are able to get back on schedule.

Similarly, the more double track on a railroad the greater the operational flexibility to move trains around and thus achieves greater efficiencies with the use of equipment. As an example, when the Fremont Siding (located midway between the Cal State LA station and the El Monte station in the middle of the I-10 freeway) was completed in 2003 Metrolink was able to expand its peak hour commuter service. Until 2003, since train headways during peak morning and afternoon periods were around 20 minutes between trains, it was physically impossible to operate trains in the reverse direction between El Monte and Los Angeles because there was no place for opposing trains to pass one another.

The effect of this was that Metrolink had no ability to operate trains between Los Angeles and, for example, Covina and then return those same trains to carry another load. With the Fremont siding, Metrolink's flexibility has been greatly improved.

SANBAG staff is recommending that this agency and Metrolink seek funding to double track as much of this railroad as possible. Notwithstanding this goal, it is unlikely that funding can be obtained immediately to double track most of this line. Thus, in the short term SANBAG urges a structured approach that would construct individual passing sidings that will permit the operation of opposing trains during the peak period when trains in the primary direction have headways as low as 20 minutes (this pretty much reflects the current conditions during peak periods).

Upon the completion of track projects begun in 2002, there were four remaining segments on the SBL between Los Angeles and San Bernardino where it is not possible to operate trains as frequently as 20 minutes apart and still have an opposing train move past them with minimum or no delay. The goal is to have a maximum travel time between passing tracks (including the time required to clear switches and signals at one end of the single track between the sidings) of 9 minutes. These four segments are noted below, together with the current time required to travel between the mileposts noted.

- a) MP 23.4 – MP 30.8 (Covina Station to Pomona Station) – 11 Minutes
- b) MP 34.6 – MP 40.2 (Montclair Station to Rancho Cucamonga) 12 Minutes
- c) MP 47.6 – MP 50.7 (West Fontana to East Fontana) 11 Minutes
- d) MP 52.4 – MP 56.2 (Rialto to San Bernardino) 11 Minutes

SANBAG and Metrolink are in discussions regarding these important projects. Within the constraints of funding, neither SANBAG nor its partner, Metro, have sufficient funds to construct any of these projects within the next few years since estimated costs for each exceed \$20 million dollars. With the passage of the State infrastructure bond issue in November of 2006

it is possible that some or all of these projects might receive a funding allocation, provided that each agency agrees to fund the project. Currently METRO has not decided whether to share in the funding for these projects.

For the next five years SANBAG is proposing the following new capital improvements:

For FY 2007/08 SANBAG is proposing \$5.5 million for parking expansion at the Upland station; \$2.8 million additional funding for a pedestrian undercrossing at the Rancho Cucamonga station; \$1.0 million for planning work on the Redlands rail project; \$0.5 million for “Sealed Corridor” improvements on the San Bernardino Line within the San Bernardino Valley; \$1.5 million for purchase of right of way and final design services for the new San Bernardino Transit Center at Rialto Avenue and E Street in San Bernardino; and \$5.5 for three (3) additional passenger cars.

For FY 2008/09 SANBAG is proposing \$7.6 million for improvements between the San Bernardino Depot and the proposed San Bernardino Transit Center; and \$0.5 million for “Sealed Corridor” improvements on the San Bernardino Line within the San Bernardino Valley.

For FY 2009/10 SANBAG is proposing \$10.0 million for preliminary engineering on the Redlands rail project; an additional \$1.7 million for the Eastern Maintenance Facility in Colton; and \$0.5 million for “Sealed Corridor” improvements on the San Bernardino Line within the San Bernardino Valley.

For FY 2010/11 SANBAG is proposing \$0.5 million for “Sealed Corridor” improvements on the San Bernardino Line within the San Bernardino Valley; \$44.0 million for the purchase of new cars for the Redlands rail project; \$37.2 million for initial construction of the Redlands rail project; \$13.6 million for construction activities to extend the Gold Line to Montclair; and \$7.4 million for Measure I debt service in the event SANBAG is required to borrow against future Measure I revenues to provide local match for new federal grants for either the Redlands rail project or the Gold Line extension or both.

For FY 2011/12 SANBAG is proposing \$0.5 million for “Sealed Corridor” improvements on the San Bernardino Line within the San Bernardino Valley; \$75.0 million to complete the funding package for the Redlands passenger rail project; \$19.0 million for the Gold Line extension; and \$7.4 million for Measure I debt service.

Inland Empire Orange County Line

Since the initiation of service on the IEOC there have been no additional capital projects. One project that has been identified is the need for a passing track on the 5.5-mile long, single track Olive Subdivision connecting the double track BNSF San Bernardino Subdivision near Placentia with the Metrolink-owned double track at Orange. Such a passing track would introduce great flexibility into operations on the IEOC Line. While this project is in Orange County it is required to make the entire line fluid and to ensure service reliability. The three partner agencies on the IEOC route—SANBAG, RCTC and OCTA—must agree on funding in order to proceed with this project. The three agencies have not yet reached agreement on the timing for this project.

Riverside Line

There are currently no capital projects scheduled on the Riverside Line. Metrolink and SANBAG are in discussion with the Union Pacific Railroad regarding potential improvements to the route and service. To date there have been no concrete proposals and it is not possible to forecast the potential outcome of these discussions. At this time it is not possible to determine 1) whether UPRR will ultimately be agreeable to permitting additional passenger services in exchange for capital improvements or 2) what those improvements might be and how much they might cost. Nevertheless, SANBAG supports expanded services on this line and is prepared to seek future funding through the State Transportation Improvement Program should an agreement be reached with the Union Pacific Railroad.

SANBAG Rail Projects

In past years SANBAG's SRTP has been exclusively about Metrolink projects. With this SRTP SANBAG is adding two significant passenger rail projects of its own. One project is referred to as the Redlands Passenger Rail Project while the other involves the extension of the Metro Gold Line from its Phase II, Segment 1 terminus in Azusa to a new terminus in Montclair in the San Bernardino Valley. Both projects are discussed in more detail below.

Redlands Rail Project

When SANBAG concluded its right of way purchase from the Santa Fe Railroad in 1992, it acquired not only that railroad's former Pasadena Subdivision extending from San Bernardino to the Los Angeles County line but also that railroad's Redland's Subdivision extending from the San Bernardino Metrolink station through southern San Bernardino and northern Loma Linda to a terminus at the Santa Ana River in Mentone.

Since 1992 SANBAG has conducted several studies regarding the feasibility of establishing passenger services on this line. Most recently SANBAG determined that the optimum use of this line was for an all-day rail service linking Redlands with downtown San Bernardino and Metrolink. This project was included in the list of proposed capital projects when the voters were asked to approve an extension of the Measure I Sales Tax for transportation brought before the electorate in 2004. The measure was approved and on that basis SANBAG is including this project in this five-year SRTP.

SANBAG proposes to allocate \$1.0 million in FY 2007/08 for environmental review and an alternatives analysis for this project. Planning will continue in FY 2008/09 with an additional \$7.6 million for improvements at the San Bernardino Depot to accommodate the new service. In FY 2009/2010, SANBAG is proposing \$10.0 million for preliminary engineering. Commencing in FY 2010/2011 SANBAG proposes a major infusion of capital with \$44.0 for rolling stock and \$37.2 million for construction. In FY 2011/2012 SANBAG proposes a final allocation of \$75.0 million to complete the construction of this line.

The Redlands Passenger Rail project involves the operation of independently powered rail cars (no locomotives) operating at intervals no greater than 30 minutes all day long. This service will either connect with all Metrolink trains at a new station to be located at Rialto and E Streets in the City of San Bernardino or at a new platform at the San Bernardino Depot. SANBAG is seeking Federal Transportation Administration (FTA) Small Starts Funding for this project and will be requesting \$75.0 million in discretionary federal funds. If FTA approves this grant request, SANBAG will provide the needed matching funds with Measure I funds in the amount of \$46.6 million. Since this amount of Measure funding exceeds what SANBAG's rail program would have accumulated by FY 2010/2011, SANBAG proposes to issue a debt instrument to be paid back by future Measure I revenues. The FTA funds are truly discretionary and if an agency is unable to provide matching funds in a timely manner the funding will likely go elsewhere. Consequently the use of careful borrowing against future revenues can be profitable for SANBAG since it would bring in dollars from the federal government which would otherwise not be allocated to San Bernardino County.

Gold Line Extension

San Gabriel Valley cities in Los Angeles County banded together some years ago to create an agency to advocate for and construct a light rail line from Los Angeles to Pasadena. That line has now been built and is in operation and known as the METRO Gold Line. These same San Gabriel Valley cities, joined by cities in the Pomona Valley and SANBAG and Montclair, have begun taking steps to extend the Gold Line to Montclair. This project is not yet approved either by METRO or the FTA. Nevertheless SANBAG anticipates major construction activity as soon as FY 2010/2011. Accordingly SANBAG is budgeting \$13.6 million in that year and \$19.0 million in the following year for its share of these construction costs. Phase II of the METRO Gold Line extension is broken into two segments: Segment 1 from Sierra Madre to Azusa by 2009 and Segment 2 from Azusa to Montclair.

SANBAG and the Gold Line Consortium will be seeking FTA New Starts funding for this extension. SANBAG's share of these New Start Funds during the SRTP period will be \$16.3 million and will require a local match. SANBAG proposes \$9.5 million in Measure I funds and \$6.0 in State Transit Assistance Funds. Coupled with the proposed use of Measure I funds for the Redlands Rail project, there may be insufficient Measure I funds accumulated in the SANBAG rail fund by the time the federal grant money is made available. SANBAG proposes to issue a debt instrument secured by future Measure I revenues. The FTA New Starts funds are discretionary; if an agency is unable to meet its matching requirements in a timely fashion, the scarce FTA funds may be re-allocated to another project elsewhere in the country. Consequently the careful use of borrowing against a solid revenue stream is a prudent means in insuring that San Bernardino receives any discretionary federal funds available to it.

There is emerging interest in extending the METRO Gold Line farther to Ontario International Airport. Ontario has joined the JPA for Phase II construction continuing into 2015.

VI SYSTEMWIDE METROLINK CAPITAL IMPROVEMENTS

Metrolink system wide capital improvements are those improvements that benefit the entire Metrolink system rather than an individual line. For the FY 2006-07 budget cycle, the following system wide projects have been funded by the member agencies: Eastern Maintenance Facility, 40 New Ticket Validators at Stations, 5 new Ticket Vending Machines, Rolling Stock Procurement. These five system wide projects have a combined cost of \$250,999,000, of which SANBAG's share is \$21,852,000.

Proposed New Systemwide Projects Fiscal Year 2008-2012

Metrolink proposes improvements to the overall system and presents these proposals to the member agencies for review and potential funding. The projects listed below have been discussed by the member agencies and enjoy general approval. In most cases the exact cost of the improvement can only be determined when the project advances to design and construction.

The new car procurement initiated in calendar 2004 will be an ongoing procurement for much of this SRTP period. SANBAG has completed its funding commitments from prior year SRTP funding. The principal new system wide project will be the purchase, design and construction of the Eastern Maintenance Facility (EMF). The EMF will be a major car and locomotive servicing facility in the Inland Empire. To a great extent it will mirror its companion facility near downtown Los Angeles, the Central Maintenance Facility (CMF). The CMF is virtually at capacity and with the delivery of the new cars beginning in 2009 it will be a major challenge to maintain the entire Metrolink fleet at this single facility. Furthermore, a major portion of the Metrolink fleet is stored in San Bernardino each evening and the availability of a car servicing facility at that location would greatly enhance Metrolink's equipment maintenance function. Metrolink has reached agreement with the BNSF Railroad for the purchase of land in the City of Colton.

Potential Future Capital Needs

Metrolink has identified the need to substantially upgrade its communication system. Not only from central office to train crews but from the central office to passengers and stations in order to provide real time and reliable information about either train delays or train status. Consequently SANBAG proposes to budget a total of \$9.92 million over five years as its share of this project. This is a project which will benefit the entire Metrolink system and its costs will be shared by all five agencies.

VII SANBAG STATION IMPROVEMENTS

The SANBAG passenger rail program involves more than just the payments made to Metrolink for operating and capital funding. In addition to those aspects of passenger rail service under the direct control of Metrolink, SANBAG also manages, in cooperation with its City partners, all Metrolink stations within the San Bernardino Valley. The City partners assume all maintenance

and security responsibilities after the first two years while SANBAG provided the initial station funding.

SANBAG has constructed the following passenger rail stations: San Bernardino, Rialto, Fontana, Rancho Cucamonga, Upland, Montclair and East Ontario. The growth in Metrolink service has led to a corresponding increase in parking at most of these stations. Only Montclair with 1590 spaces, Rancho Cucamonga, now with approximately 900 spaces, East Ontario with 500 spaces and Fontana with 340 spaces appear to have available parking capacity. San Bernardino, with slightly over 400 spaces (including striped diagonal parking on 3rd Street), and Rialto with 225 spaces have exhausted all available parking spaces. Upland, with approximately 300 spaces, has yet some capacity but will shortly require additional spaces. Projects are underway—with SANBAG funding—to provide additional parking at San Bernardino and Rialto.

The ready availability of parking is an important factor in developing ridership on Metrolink. To the extent parking is constrained so also will be ridership.

The Upland station will receive about 600 new surface parking spaces or a somewhat lesser amount if a parking structure is built. Coupled with the existing 300 spaces this will provide between 700-900 parking spaces at this station. SANBAG is proposing \$5.5 million for Upland in the FY 2007/2008 period.

VIII FUNDING PLAN

The Short Range Transit Plan contains the description and the justification of operating and capital projects to be programmed in the Regional Transportation Improvement Program (RTIP). The proposed projects must also be consistent with the Regional Transportation Plan (RTP). Since the RTP must be a realistic and financially constrained document under federal requirements, the SRTP must also then be based upon a sound financial plan. This SRTP meets that objective. The revenues identified are revenues reasonably expected to be available to the SANBAG Board during the program life of this SRTP.

Operating Plan

Table 1 found on page (?) summarizes the Operating Plan by year and consists of 1) the ongoing costs of existing Metrolink train services and associated maintenance of way as well as Metrolink administrative costs; 2) SANBAG internal rail program expenses; and 3) the estimated costs of proposed new services.

Budgeted SANBAG Metrolink operating cost for FY 2006/2007 is \$7.0 million. Operating cost is estimated to increase to \$7.28 million in FY 2007/08 of the new SRTP. Total ongoing costs for existing Metrolink operating and administrative costs are \$39.43 million over the SRTP period.

SANBAG rail program expenses have likewise remained relatively stable during the current SRTP period. Budgeted SANBAG expenses for FY 2006/2007 are \$0.45 million, increasing to \$0.68 million in FY 2007/2008. Total costs over the SRTP period are estimated at \$2.1 million. The increase noted in one year results from a two-year agreement with the City of Montclair to fund new improvements.

Proposed new services are estimated to increase the SANBAG budget by \$5.84 million over the five-year SRTP. Of this amount, \$221,000 is set aside for potential new services on either the Riverside or IEOC lines. The balance of \$5.62 million is for a wide variety of new trains on the San Bernardino Line, some of which are actually expected to fully offset operating costs through passenger fares but for which a contingency has been applied in this plan. Total operating costs for the five-year SRTP are \$47.36 million.

Total LTF funding to meet the recommended operating portion of the budget is \$47.36 million. In addition to the operating budget SANBAG will also require approximately \$12.73 million in LTF funds to provide the non-federal matching funds for many capital improvement projects proposed for the SRTP. Thus total minimum LTF requirements are \$60.09 million over the five years.

SANBAG staff has recommended an LTF drawdown equal to the total needs identified in this SRTP. SANBAG staff believes this approach more accurately reflects approved program needs at both Omnitrans and SANBAG.

Capital Plan

Tables 3 through 7 present the Capital Expenditure plan by year, Table 8 summarizes the 5-year Capital Expenditure plan. The sum of SANBAG's share of all recommended capital projects for the five-year SRTP period is \$271.616 million. This amount represents SANBAG's share of these capital projects; the total value of these projects is \$385.225 million.

Over the upcoming five-year SRTP, SANBAG can reasonably anticipate receiving \$89.696million in revenues for the capital improvement program from sources directly under SANBAG's control. This includes \$46.11 million in Federal Transit Administration (FTA) Section 5307 and 5309 funds; a remaining balance of \$3.00 million in funds received from the sale of rail assets; \$15.959 million in new State Transit Assistance funds expected to be received on the basis of Metrolink passenger fare revenues; \$11.886 million in Congestion Management and Air Quality Funds; and \$12.734 million in Valley LTF funds.

A new source of funding is the Congestion Management and Air Quality Program. These are funds controlled by SANBAG and used for projects that result in less traffic congestion and improved air quality. Projects that improve Metrolink and encourage more commuters to use the train instead of the car clearly contribute to reduced congestion and improved air quality. SANBAG recommends using CMAQ funds for the Upland Station parking lot project and Redlands rolling stock acquisition.

Measure I funds will commence flowing in the last quarter of FY 2009/10. SANBAG proposes a potential maximum early drawdown of these funds in the amount of \$63.577 million. As noted earlier in this report, should either the Redlands Rail project or the METRO Gold Line extension project be delayed beyond forecasts included in this SRTP, the need for Measure I funds will be correspondingly reduced. . The current plan is to drawdown sufficient Measure I funds to meet the debt requirements of any early borrowing.

In addition SANBAG will be seeking \$19.606 million in State STIP funding for the Redlands project, new passenger cars and station improvements and \$91.3 million in FTA Small Starts funding for both the Redlands Rail project and the Gold Line extension.

The total foreseeable revenues for the capital program are \$271.616 million. This revenue package will fully fund the recommended capital improvement program.

Regarding the LTF funds, this is the source of funds for the operating budget as well. SANBAG requires \$47.359 million for the five-year SRTP to insure continued train operations, fund SANBAG's share of the Metrolink administrative costs, and expand the service. Including the \$12.734 million required for the non-federal match of the capital improvement program, the total LTF requirement is \$60.093 million.

The complete capital and operating expenditure plan is itemized on the following seven tables. Table 1 presents the operating budget by year for existing and proposed services. Table 8 summarizes the capital investment program for each year of the Short Range Transit Plan. Tables 3 through 7 present the proposed capital expenditure plan by year with the proposed funding source for each project.

Total SANBAG Funding Program

SANBAG proposes to allocate \$47.359 million over five years for continued support of the Metrolink service and to increase service. In addition SANBAG proposes to allocate \$271.616 million to support both system-wide capital improvements for Metrolink, provide for the replacement of deteriorated assets on SANBAG-owned track, and provide additional parking at county train stations.

Table 1
(\$=1,000)

San Bernardino Associated Governments
Total Passenger Rail Operating Budget

COST CATEGORY	FY 06/07	FY 07/08	FY 08/09	FY 09/10	FY 10/11	FY 11/12	5 YR.TOTAL
1. Current Subsidy Budget Inflated	\$ 7,000	\$ 7,280	\$ 7,571	\$ 7,874	\$ 8,189	\$ 8,517	\$ 39,431
2. SANBAG Rail Program	\$ 452	\$ 686	\$ 335	\$ 345	\$ 355	\$ 366	\$ 2,088
Subtotal Base System	\$ 7,452	\$ 7,966	\$ 7,906	\$ 8,219	\$ 8,544	\$ 8,883	\$ 41,518
3. Proposed New Services Subsidy							
a. 1 Off-Peak RT SB - LA	\$ -	\$ 298	\$ 307	\$ 316	\$ 326	\$ 335	\$ 1,582
b. 1 Sunday RT SB - LA	\$ -	\$ 60	\$ 62	\$ 38	\$ 39	\$ 40	\$ 239
c. 1 Off-Peak RT SB - LA	\$ -	\$ -	\$ 298	\$ 307	\$ 316	\$ 326	\$ 1,247
d. 1 Peak RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 44	\$ 45	\$ 89
e. 2 Saturday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 123	\$ 242
f. 2 Off-Peak RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 596	\$ 614	\$ 1,210
g. 2 Sunday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 123	\$ 242
h. 2 Saturday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 119
i. 2 Sunday RT SB - LA	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 119	\$ 119
j. IEOC & Riverside Future Service Enhancements.	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 221	\$ 221
10% Contingency for New Service	\$ -	\$ 36	\$ 67	\$ 66	\$ 156	\$ 207	\$ 531
Subtotal New Service Subsidy	\$ -	\$ 394	\$ 734	\$ 727	\$ 1,715	\$ 2,272	\$ 5,841
Total Subsidy	\$ 7,452	\$ 8,360	\$ 8,640	\$ 8,946	\$ 10,259	\$ 11,154	\$ 47,359

Table 3
(\$=1,000)

San Bernardino Associated Governments
Capital Improvement Plan
FY 2007/2008

	Total Cost	SB Cost	Funding Sources									
			Fixed Guideway 5307	Rail Mod 5309	STAF	Rail Asset	CMAQ	LTF	STIP/ITIP	Measure	New Start Small Start 5309	
Basic Support and SCRRA Systemwide Projects												
1 Renovation & Rehab	\$ 1,911	\$ 1,911		\$ 1,529	\$ 382							
2 MOW Facility	\$ 8,500	\$ 1,223		\$ 978	\$ 245							
3 Equipment Replacement Fund	\$ 316	\$ 316			\$ 316							
4 OCTA Repayment - Final	\$ 4,000	\$ 224		\$ 224								
5 Communications	\$ 12,500	\$ 1,788	\$ 1,430		\$ 358							
Subtotal	\$ 27,227	\$ 5,462	\$ 1,430	\$ 2,731	\$ 1,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
New Projects												
6 Upland Parking	\$ 5,500	\$ 5,500					\$ 2,136	\$ 3,364				
7 Rancho Cucamonga Undercrossing	\$ 2,849	\$ 2,849							\$ 2,849			
8 Three (3) Trailers - Option	\$ 5,500	\$ 5,500							\$ 5,500			
9 Redlands Project (AA & Environ.)	\$ 1,000	\$ 1,000	\$ 800					\$ 200				
10 Sealed Corridor - San Gabriel Sub.	\$ 500	\$ 500	\$ 400					\$ 100				
11 Rialto & E Station ROW	\$ 1,500	\$ 1,500	\$ 1,200					\$ 300				
Subtotal	\$ 16,849	\$ 16,849	\$ 2,000	\$ 400	\$ -	\$ -	\$ 2,136	\$ 3,964	\$ 8,349	\$ -	\$ -	\$ -
TOTAL	\$ 44,076	\$ 22,311	\$ 3,430	\$ 3,131	\$ 1,301	\$ -	\$ 2,136	\$ 3,964	\$ 8,349	\$ -	\$ -	\$ -

Table 4
(\$=1,000)

San Bernardino Associated Governments
Capital Improvement Plan
FY 2008-2009

	Total Cost	SB Cost	Funding Sources									
			Fixed Guideway 5307	Rail Mod 5309	STAF	Rail Asset	CMAQ	LTF	STIP/ITIP	Measure	New Start Small Start 5309	
Basic Support and SCRRASystemwide Projects												
12 Renovation & Rehab	\$ 3,353	\$ 3,353		\$ 2,683	\$ 671							
13 Equipment Replacement Fund	\$ 316	\$ 316			\$ 316							
14 Communications	\$ 13,000	\$ 1,860		\$ 1,488				\$ 372				
Subtotal	\$ 16,669	\$ 5,529	\$ -	\$ 4,170	\$ 987	\$ -	\$ -	\$ 372	\$ -	\$ -	\$ -	
New Projects												
15 Sealed Corridor - San Gabriel Sub.	\$ 500	\$ 500			\$ 132			\$ 368				
16 SB Depot - Rialto/E Platform & Track	\$ 7,600	\$ 7,600	\$ 6,080					\$ 1,520				
Subtotal	\$ 8,100	\$ 8,100	\$ 6,080	\$ -	\$ 132	\$ -	\$ -	\$ 1,888	\$ -	\$ -	\$ -	
TOTAL	\$ 24,769	\$ 13,629	\$ 6,080	\$ 4,170	\$ 1,119	\$ -	\$ -	\$ 2,260	\$ -	\$ -	\$ -	

Table 5
(\$=1,000)

San Bernardino Associated Governments
Capital Improvement Plan
FY 2009-2010

	Total Cost	SB Cost	Funding Sources									Measure	New Start Small Start 5309
			Fixed Guideway 5307	Rail Mod 5309	STAF	Rail Asset	CMAQ	LTF	STIP/ITIP				
Basic Support and SCRRRA Systemwide Projects													
17 Renovation & Rehab	\$ 3,588	\$ 3,588		\$ 2,870	\$ 718								
18 Equipment Replacement Fund	\$ 316	\$ 316			\$ 316								
19 Communications	\$ 13,520	\$ 2,008	\$ 1,607						\$ 402				
Subtotal	\$ 17,424	\$ 5,912	\$ 1,607	\$ 2,870	\$ 1,034	\$ -	\$ -	\$ 402	\$ -	\$ -	\$ -	\$ -	\$ -
New Projects													
20 Redlands Prelim. Engineering (35%)	\$ 10,000	\$ 10,000	\$ 2,300						\$ 2,700	\$ 5,000			
21 EAMF Phase II (inflated cost)	\$ 43,794	\$ 1,700	\$ 1,360						\$ 340				
22 Sealed Corridor - San Gabriel Sub.	\$ 500	\$ 500		\$ 400					\$ 100				
Subtotal	\$ 54,294	\$ 12,200	\$ 3,660	\$ 400	\$ -	\$ -	\$ -	\$ 3,140	\$ 5,000	\$ -	\$ -	\$ -	\$ -
TOTAL	\$ 71,718	\$ 18,112	\$ 5,267	\$ 3,270	\$ 1,034	\$ -	\$ -	\$ 3,542	\$ 5,000	\$ -	\$ -	\$ -	\$ -

Table 6
(\$=1,000)

San Bernardino Associated Governments
Capital Improvement Plan
FY 2010/2011

	Total Cost	SB Cost	Funding Sources									New Start Small Start 5309
			Fixed Guideway 5307	Rail Mod 5309	STAF	Rail Asset	CMAQ	LTF	STIP/ITIP	Measure		
Basic Support and SCRRA												
Systemwide Projects												
23 Renovation & Rehab	\$ 3,839	\$ 3,839		\$ 3,071	\$ 768							
24 Equip. Replacement Fund	\$ 315	\$ 316						\$ 316				
25 Communications	\$ 14,061	\$ 2,089		\$ 1,671				\$ 418				
Subtotal	\$ 18,215	\$ 6,244	\$ -	\$ 4,742	\$ 768	\$ -	\$ -	\$ 734	\$ -	\$ -	\$ -	\$ -
New Projects												
26 Sealed Corridor	\$ 500	\$ 500		\$ -	\$ -			\$ 500			\$ 3,750	\$ 22,000
27 Redlands Rolling Stock	\$ 44,000	\$ 44,000	\$ 5,500	\$ -	\$ 3,000	\$ -	\$ 9,750			\$ 6,257	\$ 12,500	\$ 15,500
28 Redlands Improvements	\$ 37,257	\$ 37,257				\$ 3,000	\$ -	\$ -				\$ 6,800
29 Gold Line Extension	\$ 13,600	\$ 13,600			\$ 6,000			\$ 800			\$ 7,429	
30 Measure I Debt Service	\$ 7,429	\$ 7,429										
Subtotal	\$ 102,786	\$ 102,786	\$ 5,500	\$ -	\$ 9,000	\$ 3,000	\$ 9,750	\$ 1,300	\$ 6,257	\$ 23,679	\$ 23,679	\$ 44,300
TOTAL	\$ 121,001	\$ 109,030	\$ 5,500	\$ 4,742	\$ 9,768	\$ 3,000	\$ 9,750	\$ 2,034	\$ 6,257	\$ 23,679	\$ 23,679	\$ 44,300

San Bernardino Associated Governments
Capital Improvement Plan
FY 2011-2012

Table 7
 (\$=1,000)

	Total Cost	SB Cost	Funding Sources								STIP/ITIP	Measure	New Start Small Start 5309
			Fixed Guideway 5307	Rail Mod 5309	STAF	Rail Asset	CMAQ	LTF					
Basic Support and SCRRA Systemwide Projects													
31 Renovation & Rehab	\$ 4,108	\$ 4,108		\$ 3,286	\$ 822								
32 Equipment Replacement Fund	\$ 3,000	\$ 325			\$ 316								
33 Communications	\$ 14,623	\$ 2,172		\$ 1,738				\$ 434					
Subtotal	\$ 21,731	\$ 6,605	\$ -	\$ 5,024	\$ 1,138	\$ -	\$ -	\$ 434	\$ -	\$ -	\$ -	\$ -	\$ -
New Projects													
34 Sealed Corridor	\$ 500	\$ 500						\$ 500				\$ 30,398	\$ 37,500
35 Redlands Capital Improvements	\$ 75,000	\$ 75,000	\$ 5,502		\$ 1,600							\$ 9,500	\$ 9,500
36 Gold Line	\$ 19,000	\$ 19,000										\$ 7,429	
37 Measure I Debt Service	\$ 7,429	\$ 7,429											
Subtotal	\$ 101,929	\$ 101,929	\$ 5,502	\$ -	\$ 1,600	\$ -	\$ -	\$ 500	\$ -	\$ 39,898	\$ 47,000	\$ 39,898	\$ 47,000
TOTAL	\$ 123,660	\$ 108,534	\$ 5,502	\$ 5,024	\$ 2,738	\$ -	\$ -	\$ 934	\$ -	\$ 39,898	\$ 47,000	\$ 39,898	\$ 47,000

Table 8
(\$=1,000)

**San Bernardino Associated Governments
Capital Improvement Plan
Summary of Total Program**

	Total Cost	SB Cost	Funding Sources										Measure	New Start Small Start 5309
			Fixed Guideway 5307	Rail Mod 5309	STAF	Rail Asset	CMAQ	LTF	STIP/ITIP					
Basic Support and SCRRA Systemwide Projects New Projects Fiscal Year 2008														
	\$ 27,227	\$ 5,462	\$ 1,430	\$ 2,731	\$ 1,301	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 16,849	\$ 16,849	\$ 2,000	\$ 400	\$ -	\$ -	\$ 2,136	\$ 3,964	\$ 8,349	\$ -	\$ -	\$ -	\$ -	
	\$ 44,076	\$ 22,311	\$ 3,430	\$ 3,131	\$ 1,301	\$ -	\$ 2,136	\$ 3,964	\$ 8,349	\$ -	\$ -	\$ -	\$ -	
Basic Support and SCRRA Systemwide Projects New Projects Fiscal Year 2009														
	\$ 16,669	\$ 5,529	\$ -	\$ 4,170	\$ 987	\$ -	\$ -	\$ 372	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 8,100	\$ 8,100	\$ 6,080	\$ -	\$ 132	\$ -	\$ -	\$ 1,888	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 24,769	\$ 13,629	\$ 6,080	\$ 4,170	\$ 1,119	\$ -	\$ -	\$ 2,260	\$ -	\$ -	\$ -	\$ -	\$ -	
Basic Support and SCRRA Systemwide Projects New Projects Fiscal Year 2010														
	\$ 17,424	\$ 5,912	\$ 1,607	\$ 2,870	\$ 1,034	\$ -	\$ -	\$ 402	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 54,294	\$ 12,200	\$ 3,660	\$ 400	\$ -	\$ -	\$ -	\$ 3,140	\$ 5,000	\$ -	\$ -	\$ -	\$ -	
	\$ 71,718	\$ 18,112	\$ 5,267	\$ 3,270	\$ 1,034	\$ -	\$ -	\$ 3,542	\$ 5,000	\$ -	\$ -	\$ -	\$ -	
Basic Support and SCRRA Systemwide Projects New Projects Fiscal Year 2011														
	\$ 18,215	\$ 6,244	\$ -	\$ 4,742	\$ 768	\$ -	\$ -	\$ 734	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 102,786	\$ 102,786	\$ 5,500	\$ -	\$ 9,000	\$ 3,000	\$ 9,750	\$ 1,300	\$ 6,257	\$ 23,679	\$ 44,300	\$ 44,300	\$ 44,300	
	\$ 121,001	\$ 109,030	\$ 5,500	\$ 4,742	\$ 9,768	\$ 3,000	\$ 9,750	\$ 2,034	\$ 6,257	\$ 23,679	\$ 44,300	\$ 44,300	\$ 44,300	
Basic Support and SCRRA Systemwide Projects New Projects Fiscal Year 2012														
	\$ 21,731	\$ 6,605	\$ -	\$ 5,024	\$ 1,138	\$ -	\$ -	\$ 434	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 101,929	\$ 101,929	\$ 5,502	\$ -	\$ 1,600	\$ -	\$ -	\$ 500	\$ -	\$ 39,898	\$ 47,000	\$ 47,000	\$ 47,000	
	\$ 123,660	\$ 108,534	\$ 5,502	\$ 5,024	\$ 2,738	\$ -	\$ -	\$ 934	\$ -	\$ 39,898	\$ 47,000	\$ 47,000	\$ 47,000	
5-Year Basic Support and SCRRA Systemwide Projects 5-Year New Projects 5-Year Total														
	\$ 101,267	\$ 29,752	\$ 3,037	\$ 19,538	\$ 5,227	\$ -	\$ -	\$ 1,942	\$ -	\$ -	\$ -	\$ -	\$ -	
	\$ 283,958	\$ 241,864	\$ 22,742	\$ 800	\$ 10,732	\$ 3,000	\$ 11,886	\$ 10,792	\$ 19,606	\$ 63,577	\$ 91,300	\$ 91,300	\$ 91,300	
	\$ 385,225	\$ 271,616	\$ 25,779	\$ 20,338	\$ 15,959	\$ 3,000	\$ 11,886	\$ 12,734	\$ 19,606	\$ 63,577	\$ 91,300	\$ 91,300	\$ 91,300	